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TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1891.

No. 259.

GEORGE H. WHITE, ADMINISTRATOR OF GEORGE W. WHITE, DECEASED, APPELLANT,

vs.

IRA P. RANKIN, A. P. BRAYTON, JOHN HOWELL, AND JAMES M. THOMPSON.

APPEAL FROM THE CIRCUIT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF CALIFORNIA.

FILED OCTOBER 16, 1888.

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1 *Bill of Complaint.*

To the honorable the justices of the circuit court of the United States for the ninth circuit within and for the district of California, sitting in equity:

George W. White, a citizen and resident of this the State of California, brings this his bill against Ira P. Rankin, A. P. Brayton, John Howell, and James M. Thompson, all of whom are citizens and residents of the said State of California.

And thereupon your orator complains and says that heretofore, to wit, before the sixth day of September, in the year one thousand eight hundred and sixty-four, your orator was the original and first inventor of a certain new and useful invention on machines, to wit, of an improved apparatus for roasting and reducing ores; that the same was a new and useful invention and consisted generally of a revolving cylinder connected with a furnace, said cylinder having no shaft in its center, but rested and revolved upon anti-friction wheels placed underneath it so as to allow one end of the cylinder to be a very little higher than the other end, by which means the ore in the cylinder, being agitated by the revolving thereof, would pass slowly through the cylinder lengthwise, receiving the heat from the furnace in its passage through the cylinder.

The apparatus also contained devices for feeding ore into said cylinder and discharging it therefrom after being roasted or
2 calcined. Said apparatus is more fully described in the letters patent next hereinafter mentioned.

That after his said invention and before the issuance of the letters patent next hereinafter mentioned your orator duly assigned his said invention to himself and one Austin G. Day, of Seymour, in the State of Connecticut; that the same was not known or used by others before your orator's said invention, and at the time of his application for a patent therefor had not been in public use or on sale for two years, nor abandoned, nor was it proved to have been abandoned.

That the said George W. White and Austin G. Day, the assignees of said George W. White, on the sixth day of September, A. D. 1864, upon due application therefor, did obtain the letters patent of the United States for the said invention, granting and securing to them for the full term of seventeen years from the last-named date the full and exclusive right and liberty of making, constructing, using, and vending to others to be used the said invention and improvements throughout the United States and the territories thereof.

Said letters patent were issued in due form of law, under the seal of the Patent Office of the United States, and were signed by the Secretary of the Interior and countersigned by the Commissioner of Patents of the United States, and bore date the day and year last aforesaid, a description whereof and of said invention more fully appears in said letters patent, which said letters patent are in due form of law and are ready in court to be produced by the plaintiff, or a duly authenticated copy thereof.

3 That prior to the 20th day of September, A. D. 1876, by an instrument in writing, duly sigued, sealed, and recorded in the United States Patent Office, in Washington, the said Austin G. Day conveyed all his right, title, and interest in and to said letters patent to your orator, George W. White, ever since which last-named date your orator has been and still is the owner of said letters patent and of all the rights, liberties, and privileges by them granted and conferred.

That your orator, George W. White, was the original and first inventor of a certain other new and useful invention on machines, to wit, of an improved apparatus for calcining ores.

That the same was a new and useful invention, and consisted, generally, of a cylinder made to rest and revolve upon anti-friction wheels, said cylinder being connected with a furnace at one end and a feeding device at the other end, and placed with the end connected with the furnace a little lower than the other end. The ore was to be fed into the cylinder at the end farthest from the furnace and pass slowly through the cylinder lengthwise towards the furnace, so as to receive its greatest heat when about being discharged from the cylinder. This apparatus contained devices for feeding the ore into the cylinder and discharging it therefrom, all of which apparatus is more particularly described in the letters patent hereinbefore mentioned.

That the same was not known or used before your orator's said invention, and at the time of his application for a patent had not been for more than two years in public use or on sale, and

4 was never abandoned nor proved to have been abandoned.

That the said George W. White, your orator herein, being so as aforesaid the inventor thereof, on the seventh day of February, 1865, upon due application therefor, did obtain letters patent for the said invention, which said letters patent were issued in due form of law, under the seal of the Patent Office of the United States, and were signed by the Secretary of the Interior and countersigned by the Commissioner of Patents of the United States, and bore date the day and year last aforesaid, a description whereof and of said invention more fully appears in said letters patent, which said letters patent are in due form of law and are ready in court to be produced by the plaintiff, or a duly authenticated copy thereof.

And your orator further says that ever since the 20th day of Sept., A. D. 1876, he has been and still is the exclusive owner and holder of both said letters patent and of the rights, privileges, and liberties by them granted.

That prior to the issuing of said letters patent all proceedings were had and taken which were required by law to be had or taken previous to the issuance of letters patent granting special rights and liberties for new and useful inventions.

And your orator further shows unto your honors that always since the grant of the first of said letters patent, in the exercise of the full and exclusive right and liberty so granted as aforesaid, he has made, constructed, used, and vended to others to be used the said improvement so patented, and has had and maintained, until

the infringement hereinafter complained of, the possession of
5 the said improvements and invention under and by virtue of said letters patent, and has never acquiesced in any invasion or infringement of his said rights.

And your orator further shows unto your honors that the respondents herein, having full knowledge of the premises and in violation of your orator's exclusive right, liberty, and privilege as aforesaid, and utterly disregarding the same, have, since the said 20th day of Sept., A. D. 1876, and before the filing of this bill of complaint, without the license of your orator and without any right so to do, *have* within the said district of California, manufactured, used, and sold, and still continue to manufacture, use, and sell, many machines embracing the improvement and inventions described in both of said letters patent and so secured to your orator; how many your orator is unable to say, but prays that the respondents may discover and set forth in their answer to this bill; and your orator alleges that the machines made and sold by the respondents are infringements of both of said letters patent, and were made according to the inventions therein described and thereby protected and secured to your orator as aforesaid, and contrary to law and the form of the statutes of the United States in such cases made and provided.

And your orator shows that he is informed and believes and so states to be true that the respondents in this action intend to continue to infringe upon said letters patent and to unlawfully use said inventions as they have already been doing.

Your orator further shows that he has requested the respondents to desist from the use of said inventions and to account to
6 your orator for the damages which he has sustained, but that the respondents refuse either to so desist or account.

And your orator further shows unto your honors that he will be subject to great and irreparable injury unless he shall obtain from your honors the relief hereby sought. To the end, therefore, that the said respondents may, upon their corporal oaths, full, true, direct, and perfect answer make to all and singular the matters hereinbefore stated and charged, as fully and particularly as if the same were hereinafter repeated and they thereunto distinctly interrogated, according to the best of their knowledge, information, and belief, and more especially that they may answer and set forth:

1st. Whether they have not manufactured since the 20th day of Sept., 1876, before the filing of this bill, large numbers of cylinder furnaces for roasting, reducing, and calcining ores, and how many, and how the same are constructed;

2nd. Whether they have not on hand a large number, and how many, cylinder furnaces, and how the same are constructed;

And that the said respondents may answer the premises and may be decreed to account for and pay over to your orator all such gains and profits as have accrued to them from purchasing or making and selling or using such improvements in furnaces for reducing, calcining, and roasting ores.

And your orator further prays this honorable court to assess or cause to be assessed the damages which the complainant has sus-

tained by reason of the premises and the infringements herein complained of, and that said damages, when so assessed, may be
7 increased to an amount not exceeding three times the sum at which they shall be assessed, and that the respondents, Ira P. Rankin, A. P. Brayton, John Howell, and James M. Thompson, be adjudged and decreed to pay to your orator the damages so assessed, and also the amount to which they may be increased in addition to the gains and profits above prayed for.

And your orator further prays that the respondents herein, and each of them, may be restrained, by an injunction issuing out of this honorable court, from making, using, or vending to others to be used, or transferring in any way, cylinder furnaces embracing the improvements aforesaid, so secured to your orator as aforesaid, and that the cylinder furnaces so manufactured or purchased, or in any manner obtained by them, and now in possession of said respondents, may be destroyed or delivered up to your orator, and for such other and further relief as the nature of the case may require and to your honors may seem meet.

May it please your honors to grant unto your orator not only a writ of injunction, conformable to the prayer of this bill, but also the writ of subpœna, directed to the said Ira P. Rankin, A. P. Brayton, John Howell, and James M. Thompson, commanding them to appear and answer this bill of complaint, and to do and receive what to your honors shall seem meet.

And your orator will ever pray, &c.

WHEATON & SCRIVNER,
Solicitors for Complainant.

M. A. WHEATON,
Of Counsel for Complainant.

8 STATE OF CALIFORNIA, }
City and County of San Francisco, } *ss:*

George W. White, being duly sworn, on his oath says that he is the complainant in the foregoing-entitled case; that he has heard the foregoing bill of complaint read and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters therein stated on information or belief, and as to those matters he believes it to be true.

GEO. W. WHITE.

Subscribed and sworn to before me this 19th day of April, A. D. 1878.

JOS. F. O'BEIRNE,
Commissioner of U. S. Circuit Court, Dist. of Cal.

(Endorsed:) Filed April 19, 1878. L. S. B. Sawyer, cl'k, by J. F. O'Beirne, d'p'y cl'k.

Subpœna.

UNITED STATES OF AMERICA:

Circuit Court of the United States, Ninth Circuit, District of California. In Equity.

The President of the United States of America to Ira P. Rankin, A. P. Brayton, John Howell, and James M. Thompson, Greeting:

You are hereby commanded that you be and appear in
9 said circuit court of the United States aforesaid, at the court-room, in San Francisco, on the first Monday of June, A. D. 1878, to answer a bill of complaint exhibited against you in said court by George W. White, who is a citizen of the State of California, and to do and receive what the said court shall have considered in that behalf; and this you are not to omit under penalty of five thousand dollars.

Witness the Honorable Morrison R. Waite, Chief Justice of the Supreme Court of the United States, this 19th day of April, in the year of our Lord one thousand eight hundred and seventy-eight, and of our Independence 102d.

[SEAL.] L. S. B. SAWYER, *Clerk*,
By J. F. O'BEIRNE, *Dep'y Cl'k.*

Memorandum Pursuant to Rule 12, *Supreme Court U. S.*

You are hereby required to enter your appearance in the above suit on or before the first Monday of June next, at the clerk's office of said court, pursuant to said bill; otherwise the said bill will be taken *pro confesso.*

L. S. B. SAWYER, *Clerk*,
By J. F. O'BEIRNE, *Dep'y Cl'k.*

(Endorsed.)

OFFICE U. S. MARSHAL, DISTRICT OF CALIFORNIA.

I hereby certify that I received the within subpœna on the 19th day of April, 1878, and personally served the same on the 20th day of April, '78, by delivering to and leaving with A. P. Brayton, Jas. M. Thompson, and Ira P. Rankin, said defendants, in the city and county of San Francisco, in said district.

San Francisco, April 22d, 1878.

A. W. POOLE, *U. S. Marshal*,
10 By C. H. PETERSON, *Deputy.*

OFFICE U. S. MARSHAL, DISTRICT of CALIFORNIA.

I hereby certify that I received the within subpœna on the 19th day of April, 1878, and personally served the same on the 24th day of April, '78, on John Howell, one of the defendant-, by leaving a certified copy thereof at his dwelling-house, at the city of San José,

in said district, with Kate Coughlin, an adult person, who is a member of his family.

San Francisco, April 25th, 1878.

A. W. POOLE, *U. S. Marshal,*
By C. H. PETERSON, *Deputy.*

(Endorsed:) Filed 29th April, 1878. L. S. B. Sawyer, clerk, by J. F. O'Beirne, d'p'y cl'k.

Demurrer to Pl'ff's Bill.

In the Circuit Court of the United States for the Ninth Circuit within and for the District of California.

GEORGE W. WHITE
vs.
IRA P. RANKIN, A. P. BRAYTON, JOHN HOWELL, and JAMES M. THOMPSON. } In Equity. No. 1902.

These defendants, by protestation, not confessing or acknowledging all or any of the matters and things in the said complainant's bill contained to be true in such manner and form as the same are therein and thereby set forth and alleged, do demur to the
11 said bill, and for cause of demurrer shew that the said complainant has not by his said bill made such a case as entitles him in a court of equity to any discovery from these defendants or any of them, or to any relief against them or either of them.

And for a further cause of demurrer these defendants shew that by the said bill the complainant seeks the enforcement of a penalty against these defendants, and that the discovery demanded and every part thereof is in aid of the same, when by the ancient and approved rule of this honorable court no person shall exhibit a bill of complaint calling for a discovery to aid in the enforcement of a penalty.

Wherefore, and for divers other good causes of demurrer appearing in the said bill, these defendants do demur thereto, and they pray the judgment of this honorable court whether they or either of them shall be compelled to make any further or other answer to the said bill, and they humbly pray to be hence dismissed with their reasonable costs in this behalf sustained.

D. L. SMOOT,
Solicitor for Defendants.

I, D. L. Smoot, of counsel for the defendants in the above cause, certify that in my opinion the foregoing demurrer is well founded in point of law.

D. L. SMOOT, *P. D.*

STATE OF CALIFORNIA, } *To wit:*
City and County of San Francisco, }

12 James M. Thompson, of the defendants in the above-entitled cause of George W. White *vs.* Ira P. Rankin *et al.*, having

been duly sworn, deposes and says that the foregoing demurrer is not interposed for delay.

JAMES M. THOMPSON.

Subscribed and sworn to before me this 6 day of August, 1878.

JOS. F. O'BEIRNE,
Comm'r of U. S. Circuit Court, Cal.

(Endorsed:) Service of a copy acknowledged this August 6th, 1878. Wheaton & Scrivner, counsel for pl'tiff. Filed August 6, 1878. L. S. B. Sawyer, clerk, by J. F. O'Beirne, deputy cl'k.

Order Sustaining Demurrer.

Certified copy order sustaining demurrer, &c.

At a stated term, to wit, the February term, A. D. 1881, of the circuit court of the United States of America of the nint- judicial circuit in and for the district of California, held at the court-room, in the city and county of San Francisco, on Monday, the 14th day of February, in the year of our Lord one thousand eight hundred and eighty-one.

Present: The Honorable Lorenzo Sawyer, circuit judge.

GEORGE W. WHITE
vs.
IRA P. RANKIN *et al.* } No. 1902.

13 This cause, heretofore argued and submitted to the court for consideration and decision upon the demurrer herein, having been duly considered, it is ordered that the demurrer be, and the same hereby is, sustained as to discovery.

It is further ordered that the complainant have ten days within which to amend his bill of complaint herein.

I hereby certify that the foregoing is a full, true, and correct copy of an order made and entered in the above-entitled cause.

Attest my hand and the seal of said circuit court this 10 day of Oct., A. D. 1887.

[SEAL.]

L. S. B. SAWYER, *Clerk*,
By F. D. MONCKTON,
Deputy Clerk.

Amendments to Bill.

Amendments to bill of complaint.

In the United States Circuit Court, 9th Circuit, District of California.

GEORGE W. WHITE, Complainant,
vs.
IRA P. RANKIN *et al.*, Defendants. } 1902.

Now comes the said complainant and, by leave of court first had, amends his bill of complaint of file herein by striking out all of the

following words, in lines 38, 39, and 40, on page 7 of said complaint, viz: "And that said damages, when so assessed, may be increased to an amount not exceeding three times the sum at which they shall be assessed," and the following words, on lines 43 and 44, on said page 7 of said complaint, viz: "And also the amount to which they may be increased."

14 And the said complainant does hereby expressly waive any right to a penalty either by adding anything to the actual damages sustained or otherwise.

WHEATON & SCRIVNER,
Solicitors and Counsel of Complainant.

(Endorsed:) Due service of a copy of within amendments admitted this 23 day of February, 1881. No rights waived. D. L. Smoot, att'y for def'ts. Filed Feb'ry 24, 1881. L. S. B. Sawyer, clerk, by J. F. O'Beirne, d'p'y cl'k.

Plea.

In the Circuit Court of the United States in and for the State of California.

GEORGE W. WHITE
vs.
IRA P. RANKIN *et al.* } In Equity.

The joint and several plea of Ira P. Rankin, A. P. Brayton, John Howell, and Jomes M. Thompson, defendants, to the bill of complaint exhibited against them by George W. White, complainant.

These defendants, by protestation, not confessing or acknowledging all or any of the matters or things in the said complainant's bill contained to be true in such manner and form as the
15 same are therein and thereby set forth and alleged, do plead to the said bill, and for cause of plea say—

That on February 13th, 1875, the complainant, George W. White, for valuable consideration agreed in writing to assign to the defendant James M. Thompson a one-fourth interest in the inventions and letters patent mentioned in the said bill, together with a corresponding one-fourth interest in all patents that said White might thereafter obtain for improvements made by him on the said inventions, and a corresponding interest in all reissues and extensions of the said patents in case the said Thompson should within the sixteen months thence ensuing elect to take the said assignment; that within the said sixteen months the said Thompson elected to take the said assignment and in due time thereafter performed each and every act necessary to entitle himself to the same, and duly demanded of the said White the execution and delivery of the said assignment to which he, the said Thompson, became and was entitled as of June 13th, 1876; that the complainant, George W. White, failing to execute and deliver the said assignment to the said Thompson on demand as aforesaid, he, the said Thompson, on August

31st, 1876, brought suit against the said White in the district court of the nineteenth judicial district of the State of California in and for the city and county of San Francisco to compel a specific performance of the said contract and for other relief; that the said White appeared and defended the said suit; and the issues raised by the pleadings were duly tried and determined by the said district court, which, on November 22nd, A. D. 1877, made the following decree, viz:

16 In the District Court of the Nineteenth Judicial District of the State of California in and for the City and County of San Francisco.

JAMES M. THOMPSON, Plaintiff,
vs.
GEORGE W. WHITE, Defendant. } No. 4318.

Decree.

This cause was heard upon the plaintiff's complaint and the defendant's demurrer thereto, which was overruled, and the defendant's answer to the said complaint, the testimony of witnesses and documentary evidence, and was argued by counsel for both plaintiff and defendant.

Whereupon the court makes the following findings of fact, viz:

First. That the contract mentioned in the complaint and answer, a copy of which is annexed to the complaint and considered as herein incorporated, was entered into and executed by the plaintiff and defendant.

Second. That the plaintiff made to the defendant the loan of one thousand dollars and delivered to him the Smart note and Smart agreement mentioned in the said contract and received from the defendant his notes for the said sum of one thousand dollars.

Third. That the plaintiff elected to take an assignment of
17 one-fourth of the patent rights mentioned in the said contract and made known to the defendant his said election before and upon the expiration of the sixteen months mentioned in the said contract.

Fourth. That at the expiration of the said sixteen months the plaintiff, in the city and county of San Francisco, with reasonable diligence, sought the defendant at his residence, his place of business, and within a reasonable distance thereof, for the purpose of demanding from the defendant an assignment of one-fourth of the said patent rights and for the purpose of and prepared to tender and deliver to the defendant in payment therefor the defendant's said notes and the plaintiff's assignment of the income of the said one-fourth in accordance with the terms of the said contract.

Fifth. That the defendant knew of the plaintiff's purpose and evaded him.

Sixth. That at the expiration of the said sixteen months the plaintiff, by writing addressed to and received by the defendant, demanded an assignment of the said one-fourth of the said patent

rights and offered to pay the consideration and perform the conditions imposed upon him by the said contract.

Seventh. That on July 11th, 1876, the plaintiff made to the defendant a personal tender of the defendant's said notes and an assignment of the income of the said one-fourth and demanded from the defendant an assignment of the said one-fourth.

Eighth. That the defendant made no objections to any of the said offers or tenders of performance.

18 Ninth. That between the first offers of performance and the commencement of this suit, on September 1st, 1876, the plaintiff made efforts to settle the matter without litigation.

Tenth. That the plaintiff at the expiration of the said sixteen months was and ever since has been and still is willing and ready to perform the conditions on his part to entitle him to the assignment of the said fourth, and in due time made tender of performance.

From which findings of fact the court is of opinion, as a conclusion of law, that the plaintiff is entitled to an assignment of one-fourth of the said patent rights as of June 13th, 1876, and to the account hereinafter directed.

Wherefore it is by the court ordered, adjudged, and decreed as follows, viz:

First. That the defendant, George W. White, execute and deliver to the plaintiff, James M. Thompson, a proper deed, duly acknowledged for recordation, transferring and assigning to the said James M. Thompson, as of June 13th, 1876, a one-fourth interest in the said two inventions for roasting ores, secured by letters patent of the United States numbered respectively 44145 and 46287, with a corresponding one-fourth interest in all patents that the said George W. White may have obtained since February 13th, 1875, or may hereafter obtain on improvements heretofore or which hereafter may be made by the said White on the said inventions, and a corresponding interest in all reissues and extensions of the said patents.

19 Second. That the said Thompson, upon the delivery of the said deed, shall surrender to the defendant his said notes and execute and deliver to him an assignment of the income of the said one-fourth, conditioned to run for the period of two years from June 13th, 1876, unless the sum of four thousand dollars be sooner realized.

Third. That if the said White shall fail for the space of five days from the date of this decree to obey the same, then and in that event Thomas H. Reynolds, the clerk of this court, is appointed a special commissioner to execute and deliver to the said Thompson the said deed and receive for the said White the said notes and assignment of income.

It is further adjudged, ordered, and decreed that it be referred to Commissioner Gordon N. Mott to ascertain and report to this court:

First. Whether the said White has obtained control of the said

one-fourth interest in the said patents held by a party in New York; and, if so, when and at what price.

Second. What income has been derived by the said White and Thompson, respectively, from the said patent rights since June 13th, 1876.

Third. What the said Smart note and Smart agreement yielded to the said White.

Fourth. How many of the said furnaces, if any, were erected, or in process of construction or erection, or contracted for on June 13th, 1876, and what one-fourth of all the income or royalty derivable therefrom amounts to.

20 Fifth. What profits have been lost and damage sustained, if any, by Thompson since June 13th, 1876, in consequence of White's failure to make the said assignment, and what amount, if any, of Thompson's stipulated compensation under the said contract is unpaid and owing.

It is further ordered, adjudged, and decreed that the plaintiff recover of the defendant his costs in this behalf expended up to and including the entry of this decree, and that as to further costs they abide the further order of this court.

Costs amounting to the sum of eighty dollars ($80).

Dated this 22nd day of November, A. D. 1877.

E. D. WHEELER,

Judge of the Nineteenth District Court of Cal. in and for the City and County of San Francisco.

That the said George W. White having failed for more than five days after the entry of the said decree to execute and deliver the said assignment, the said Thomas H. Reynolds, as special commissioner aforesaid, on January 31st, A. D. 1878, received for the said White from the said Thompson the notes of the said White and the assignment of income mentioned in the said decree, and executed and delivered to the said Thompson the following deed, viz:

This indenture, made the thirty-first day of January, in the year eighteen hundred and seventy-eight, between Thomas H. Reynolds, clerk of the district court of the nineteenth judicial district

21 of the State of California in and for the city and county of San Francisco, party of the first part, and James M. Thompson, of the said city and county of San Francisco, party of the second part:

Whereas by a contract in writing dated February 13th, 1875, George W. White agreed to assign to the said James M. Thompson, for the considerations in said contract mentioned, an undivided one-fourth of two inventions for roasting ores, secured by letters patent issued by the Government of the United States, numbered respectively 44145 and 46287 and dated respectively September 6th, 1864, and February 7th, 1865;

And whereas by the terms of the said contract the said James M. Thompson had until the expiration of sixteen months from the date of the said contract within which to elect to take an assignment of the said one-fourth interest in the said patents;

And whereas before and upon the expiration of the said sixteen months the said James M. Thompson elected to take an assignment of the said one-fourth interest, made tender of performance to the said George W. White of the conditions imposed by the said contract upon him, the said James M. Thompson, and demanded an assignment of the said one-fourth interest;

And whereas the said George W. White refused to make the said assignment, and the said James M. Thompson brought suit against the said George W. White in the district court of the nineteenth judicial district of the State of California in and for the city and county of San Francisco to enforce a specific performance of the said contract;

22 And whereas the said court by a decree in the said suit, dated November 22nd, A. D. 1877, directed the said "George W. White to execute and deliver to the said James M. Thompson a proper deed, duly acknowledged for recordation, transferring and assigning to the said James M. Thompson as of June 13th, 1876, a one-fourth interest in the said two inventions for roasting ores, secured by letters patent of the United States numbered respectively 44145 and 46287, with a corresponding one-fourth interest in all patents that the said George W. White may have obtained since February 13th, 1875, or may hereafter obtain on improvements heretofore or which hereafter may be made by the said White on the said inventions, and a corresponding interest in all reissues and extensions of the said patents;"

And whereas the said decree further provided that the said James M. Thompson, upon the delivery of the said deed by the said White, should surrender to the said White the notes of the said White mentioned in the said contract, and that he, the said Thompson, should at the said time execute and deliver to the said White an assignment of the income of the said one-fourth interest, to run for the period of two years from June 13th, 1876, unless the sum of four thousand dollars should be sooner realized;

And whereas the said decree further provided that if the said White should fail for the space of five days from the date of the said decree to obey the same, that then and in that event the said Thomas H. Reynolds, the clerk of the said court, should, as a special commissioner appointed for the purpose, execute and

23 deliver to the said Thompson the said deed and receive for the said White the said notes and assignment of income from the said Thompson;

And whereas the said White has failed for more than five days to execute and deliver to the said Thompson the said deed;

And whereas the said Thompson has called upon the said Thomas H. Reynolds, as special commissioner aforesaid, to execute and deliver to him the said deed, and has delivered to the said Reynolds for the said White the notes mentioned in the said decree and contract, and also the said assignment of the income of the said one-fourth interest:

Now, therefore, this deed witnesseth:

That for and in consideration of the premises and the sum of one

dollar, the said Thomas H. Reynolds, as clerk of the said court and special commissioner as aforesaid, doth grant, assign, transfer, and set over to the said James M. Thompson as of June 13th, A. D. 1876, a one-fourth interest in the said two inventions for roasting ores secured by letters patent of the United States numbered respectively 44145 and 46287, with a corresponding one-fourth interest in all patents that the said George W. White may have obtained since February 13th, 1875, or may hereafter obtain on improvements heretofore or which hereafter may be made by the said White on the said inventions, and a corresponding interest in all reissues and extensions of the said patents.

The word "from," in the last line on the third page, struck
24 out before signing and sealing.

Witness the signature and seal of the said Thomas H. Reynolds, clerk and commissioner as aforesaid.

THOMAS H. REYNOLDS, [SEAL.]
Commissioner.

STATE OF CALIFORNIA, }
City and County of San Francisco, } ss:

On this thirty-first day of January, A. D. 1878, before me, Holland Smith, a notary public in and for the said city and county, residing therein, duly commissioned and sworn, personally appeared Thomas H. Reynolds, known to me to be the person whose name is subscribed to the above instrument, and he, the said Thomas H. Reynolds, acknowledged to me that he executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[SEAL.] HOLLAND SMITH,
Notary Public.

That on the 11th day of February, A. D. 1878, the said deed was duly recorded at the Patent Office, in Washington city, District of Columbia.

That under the order of reference contained in the said decree the said commissioner, Gordon N. Mott, took the depositions of certain witnesses as to the matters of account, &c., therein men-
25 tioned, and on October 25th, 1880, returned the said depositions, together with his report, to the superior court of the city and county of San Francisco, which had by act of law superseded the said district court.

That afterwards the said cause came on for hearing upon the said White's motion for a final decree upon the said report, and the judge who tried the said cause and entered the said decree Nov. 22nd, 1877, being no longer on the bench, the last-mentioned motion was heard and determined by a different judge, who, treating the said decree of Nov. 22nd, 1877, as a nullity, on February 4th, 1881, against the said Thompson's objection, entered the following order, viz:

"This cause having heretofore been heard as to the motion for a final judgment herein, and now due consideration and deliberation

having been had, it is ordered that all proceedings herein subsequent to the filing of the answer be, and the same are hereby, set aside and vacated, and that the cause be restored to the calendar for trial.

It is further ordered that the plaintiff herein pay all costs accrued up to the present time. On the motion of Mr. Smoot, attorney for plaintiff, it is ordered that a stay of execution be granted for ten days."

That afterwards, upon the motion of the said White and against the objection of the said Thompson, the said superior court, on February 15th, 1881, entered the following order, viz:

"Upon good cause shown and upon motion of J. J. Scrivner, Esq., of counsel for defendant, after notice, it is ordered that the order in this case made on the 4th day of February, A. D. 1881, and
26 entered on page 494 of Minute Book of this department, be, and the same is hereby, amended, *nunc pro tunc*, as of said date, so as to read as follows:

"The motion of the defendant for a final decree in this action came on regularly to be heard—D. L. Smoot, Esq., appearing as counsel for the plaintiff, and M. A. Wheaton, Esq., for the defendant—and was heard upon the pleadings, the findings, interlocutory decree, and order of reference, and the report of Gordon N. Mott, Esq., and the evidence taken by said referee, but upon no other evidence; and it appearing to the court that there has been a mistrial of this action, and that the so-called judgment and decree heretofore entered are of no force or validity as a judgment or decree, but is a mere order of reference, and that there has been a mistrial of this action, and that no judgment can properly be entered without a new trial of this action: Now, upon the suggestion and motion of the defendant, it is ordered that the said so-called interlocutory decree made by the late district court of the 19th judicial district of the State of California in and for the city and county of San Francisco on the 22nd day of November, A. D. 1877, and also the conveyance made thereunder by Thomas H. Reynolds, Esq., bearing date on the 31st day of January, 1878, and all proceedings in said action subsequent to the filing of the answer, be, and they are hereby, vacated and set aside, and that the cause be restored to the calendar for trial.

"And the court, in the exercise of its discretion, upon all the circumstances of the case, further orders that the plaintiff, James
27 M. Thompson, pay to the defendant all his costs of suit expended up to the present time, and that defendant have execution therefor. Ordered that execution be stayed for ten days."

That afterwards, to wit, on April 5th, 1881, the said Thompson appealed to the supreme court of California from the whole and every part of the action of the said superior court as set forth and contained in the said orders of February 4th and February 15th, 1881, and the said appeal is undetermined and still pending.

And these defendants further say that at the time of the grievances mentioned in the said bill the said Thompson was and still is the owner of and entitled to one-fourth of the inventions and patent

rights mentioned in the said bill, and was and still is entitled to make, use, and vend the said furnaces, and that each and every furnace involving the said inventions made, used, and sold by the defendants was made, used, and sold under the said Thompson's said right and by virtue of his authority.

Wherefore these defendants humbly pray the judgment of this honorable court whether they shall be compelled to make any further or other answer to the said bill of complaint.

And these defendants pray to be hence dismissed with their reasonable costs in this behalf sustained.

D. L. SMOOT,
Solicitor for Defendants.

28 I, D. L. Smoot, of counsel for the defendants in the above cause, certify that in my opinion the foregoing plea is well founded in point of law.

D. L. SMOOT.

STATE OF CALIFORNIA,
City and County of San Francisco, } *ss:*

James M. Thompson, one of the defendants in the above-entitled cause of George W. White *vs.* Ira P. Rankin *et al.*, having been duly sworn, deposes and says that the foregoing plea is not interposed for delay, and that it is true in point of fact.

JAS. M. THOMPSON.

Subscribed and sworn to before me this 4th day of November, A. D. 1881.

[NOTARIAL SEAL.] CHAS. D. WHEAT,
Notary Public.

(Endorsed:) Service accepted by copy this 5th day of November, A. D. 1881. Wheaton & Scrivner, solicitors for compl'nt. Filed Nov. 7, 1881. L. S. B. Sawyer, clerk, by J. F. O'Beirne, deputy clerk.

Replication to Plea.

Replication.

Circuit Court of the United States for the District of California, Ninth Judicial Circuit.

GEO. W. WHITE, Complainant, *vs.* IRA P. RANKIN *et al.*, Defendants. } The Replication of Geo. W. White, Complainant, to the Plea of Ira P. Rankin *et al.*, Defendants.

29 This repliant, saving and reserving to himself now and at all times hereafter all and all manner of benefit and advantage of exception which may be had or taken to the manifold insufficiencies of the said plea, for replication thereunto saith that he will aver, maintain, and prove said bill to be true, certain, and

sufficient in the law to be answered unto, and that the said plea of the defendants is uncertain, untrue, and insufficient to be replied unto by this repliant; that any other matter or thing whatsoever in the said plea contained material or effectual in the law to be replied unto and not herein and hereby well and sufficiently replied unto, confessed and avoided, traversed or denied, is true.

All of which matters and things this repliant is now and will be ready to aver, maintain, and prove as this honorable court shall direct, and humbly pray as in and by his said bill he has already prayed.

M. A. WHEATON,
Solicitor for Complainant.

(Endorsed:) Service hereof admitted and copy received this 13th day of August, 1883. D. L. Smoot, solicitor for defendants. Filed August 13, 1883. L. S. B. Sawyer, clerk.

Supplement to Plea.

In the Circuit Court of the United States in and for the State
30 of California.

GEORGE W. WHITE, Complainant,
vs.
IRA P. RANKIN *et al.*, Defendants. } In Equity.

By leave of the court the defendants, Ira P. Rankin, A. P. Brayton, John Howell, and James M. Thompson, allege, by way of supplement to their joint and several plea, the following, viz: That after the filing of the said joint and several plea, to wit, on June 15th, 1883, the supreme court of the State of California sustained the said appeal of the said Thompson, reversed the said orders of the superior court of the city and county of San Francisco of February 4th and February 15th, 1881, and remanded the said cause of Thompson *vs.* White to the said superior court for further proceedings not inconsistent with the opinion of the said supreme court filed and published in the said last-mentioned case.

Wherefore, &c.

D. L. SMOOT,
Solicitor for Defendants.

Let the above be filed and a copy served upon plaintiff's attorney forthwith.

Dated at San Francisco, March —, 1884.

—— ——.

Service ad. within April 1st, 1884.

M. A. WHEATON,
Att'y for Pl'ff.

Filed April 1, 1884.

L. S. B. SAWYER, *Clerk.*

31 At a stated term, to wit, the July term, A. D. 1884, of the circuit court of the United States of America of the ninth judicial circuit in and for the district of California, held at the court-room, in the city and county of San Francisco, on Monday, the 11th day of August, in the year of our Lord one thousand eight hundred and eighty-four.

Present: The Honorable Lorenzo Sawyer, circuit judge.

Order Overruling Sup. Plea.

Certified copy order overruling supplemental plea.

G. W. WHITE
vs.
IRA P. RANKIN. } No. 1902.

This cause came on this day to be heard upon the supplemental plea herein—D. L. Smoot, Esq., appearing for said supplemental plea and M. A. Wheaton, Esq., in support of the bill of complaint herein—and was argued and submitted to the court for consideration and decision; and, the same having been duly considered, it is ordered that said plea be, and the same hereby is, overruled, with leave to the defendant to file an amended plea herein.

I hereby certify that the foregoing is a full, true, and correct copy of an original order made and entered in the above-entitled cause.

Attest my hand and the seal of said circuit court this 10 day of Oct., A. D. 1887.

[SEAL.]

L. S. B. SAWYER, *Clerk*,
By F. D. MONCKTON,
Deputy Clerk.

32 *Amended Plea.*

In the Circuit Court of the United States in and for the State of California.

GEORGE W. WHITE
vs.
IRA P. RANKIN *et al.* } In Equity.

The amended joint and several plea of Ira P. Rankin, A. P. Brayton, John Howell, and James M. Thompson, defendants, filed by leave of the court, to the bill of complaint exhibited against them by George W. White, complainant.

These defendants, by protestation, not confessing or acknowledging all or any of the matters or things in the said complainant's bill contained to be true in such manner and form as the same are therein and thereby set forth and alleged, do plead to the said bill, and for cause of plea say that at the time of the grievances mentioned in the said bill the said James M. Thompson was and still is the owner of and entitled to one-fourth of the inventions and patent

rights mentioned in the said bill of complaint, and was and still is entitled to make, use, and vend the said furnaces, and that each and every furnace involving the said inventions made, used, and sold by the defendants was made, used, and sold under the said Thompson's said right and by virtue of his authority.

Wherefore these defendants humbly pray the judgment of this honorable court whether they shall be compelled to make any further or other answer to the said bill of complaint.

33 And these defendants pray to be hence dismissed with their reasonable costs in this behalf sustained.

D. L. SMOOT,
Solicitor for Defendants.

I, D. L. Smoot, of counsel for the defendants in the above cause, certify that in my opinion the foregoing plea is well founded in point of law.

D. L. SMOOT.

STATE OF CALIFORNIA, } ss:
City and County of San Francisco, }

Ira P. Rankin, one of the defendants in the above-entitled cause of George W. White *vs.* Ira P. Rankin *et al.*, having been duly sworn, deposes and says that the foregoing plea is not interposed for delay, and that it is true in point of fact.

IRA P. RANKIN.

Subscribed and sworn to before me this 27th day of August, 1884.
[NOTARIAL SEAL.] CHAS. D. WHEAT,
Notary Public.

(Endorsed:) Service of a copy of the within plea admitted this 27th day of August, 1884. M. A. Wheaton, solicitor for plaintiff. Filed August 27, 1884. L. S. B. Sawyer, clerk, by F. D. Monckton, deputy clerk.

34 *Replication to Plea.*

Circuit Court of the United States for the District of California, Ninth Judicial Circuit.

GEORGE W. WHITE, Complainant, *vs.* IRA P. RANKIN *et al.*, Defendants.	The Replication of Geo. W. White, Complainant, to the Plea of Ira P. Rankin *et al.*, Defendants.

This repliant, saving and reserving to himself now and at all times hereafter all and all manner of benefit and advantage of exception which may be had or taken to the manifold insufficiencies of the said plea, for replication thereunto saith that he will aver, maintain, and prove said bill to be true, certain, and sufficient in the law to be answered unto, and that the said plea of the defendants is uncertain, untrue, and insufficient to be replied unto by this

repliant; that any other matter or thing whatsoever in the said plea contained material or effectual in the law to be replied unto and not herein and hereby well and sufficiently replied unto, confessed and avoided, traversed or denied, is true.

All of which matters and things this repliant is and will be ready to aver, maintain, and prove as this honorable court shall direct, and humbly prays as in and by his said bill he has already prayed.

M. A. WHEATON,
Solicitor for Complainant.

(Endorsed:) Service accepted and copy received this 4th
35 day of September, 1884. D. L. Smoot, sol. for def'd'ts. Filed Sept. 4, 1884. L. S. B. Sawyer, clerk, by F. D. Monckton, deputy clerk.

Order Overruling Resp'd'ts' Plea.

At a stated term, to wit, the February term, A. D. 1885, of the circuit court of the United States of America of the ninth judicial circuit in and for the district of California, held at the court-room, in the city and county of San Francisco, on Wednesday, the 29th day of April, in the year of our Lord one thousand eight hundred and eighty-five.

Present: The Honorable George M. Sabin, U. S. district judge of Nevada.

Certified Copy of Order Overruling Respondents' Plea.

GEORGE W. WHITE
vs.
IRA P. RANKIN *et al.* } No. 1902.

On motion of M. A. Wheaton, Esq., solicitor for the complainant herein, it is ordered that defendants' plea be, and the same is hereby, overruled, and that the defendants be assigned to answer the bill of complaint herein on or before the first Monday of June next.

I hereby certify that the foregoing is a full, true, and correct copy of an original order made and entered in the above-entitled cause.

Attest my hand and the seal of said circuit court this 10 day of Oct., A. D. 1887.

[SEAL.]

L. S. B. SAWYER, *Clerk*,
By F. D. MONCKTON,
Deputy Clerk.

Answer.

In the Circuit Court of the United States in and for the State of California.

36 GEORGE W. WHITE, Complainant,
vs.
IRA P. RANKIN *et al.*, Defendants. } In Equity.

The joint and several answer of Ira P. Rankin, A. P. Brayton, John Howell, and James M. Thompson, defendants, to bill of complaint exhibited against them in the circuit court of the United States in and for the State of California by George W. White, complainant.

These defendants, reserving unto themselves all right of exception to the said bill of complaint, for answer thereto say that it is not true, and they therefore deny that the complainant, since September 20th, 1876, has been and still is the exclusive owner of the letters patent mentioned in the said complaint, and of all the rights, priveleges, and liberties by the said letters patent granted. They deny that they have, without right, manufactured, used, and sold furnaces covered by the said letters patent, and they deny that they have infringed upon or violated any rights held by the complainant under the said letters patent.

And these defendants, further answering, say that the said defendant, James M. Thompson, is now and ever since June 13th, 1876, has been the owner of one-fourth of the inventions, rights, privileges, &c., covered by the said letters patent, and that each and every furnace manufactured, used, and sold by the defendants involving the said inventions was manufactured, used, and sold under the authority and license of the said James M. Thompson as owner, as aforesaid, of one-fourth of the said inventions,
37 rights, &c.

And now, having fully answered the complainant's bill, or so much thereof as these defendants are advised it is material for them to answer, they pray hence to be dismissed with their reasonable costs in this behalf expended; and they will ever pray, &c.

D. L. SMOOT,
Solicitor for Defendants.

STATE OF CALIFORNIA,
City and County of San Francisco, } *To wit:*

This day personally appeared before me, L. S. B. Sawyer, a commissioner appointed by the United States circuit court for the district of California to take testimony and depositions, Ira P. Rankin, one of the four defendants whose joint and several answer is above written, and made oath that the statements contained in the said answer, so far as made of his own knowledge, are true, and so far

as made upon information derived from others he believes them to be true.

Given under my hand this 28th day of May, A. D. 1885.

L. S. B. SAWYER,
Com'r U. S. Circuit Court, Dist. Cal.

(Endorsed:) Service of a copy of the within answer is hereby acknowledged this 28 day of May, 1885. M. A. Wheaton, sol'r for pl'ff. Filed May 29, 1885. L. S. B. Sawyer, clerk.

38 *Replication to Answer.*

Circuit Court of the United States for the District of California, Ninth Judicial Circuit.

GEORGE W. WHITE, Complainant, *vs.* IRA P. RANKIN *et al.*, Defendants.	The Replication of Complainant to the Answer of Ira P. Rankin, A. P. Brayton, John Howell, & James M. Thompson, Defendants.

This repliant, saving and reserving to himself now and at all times hereafter all and all manner of benefit and advantage of exception which may be had or taken to the manifold insufficiencies of the said answer, for replication thereunto saith that he will aver, maintain, and prove said bill to be true, certain, and sufficient in the law to be answered unto, and that the said answer of the defendants is uncertain, untrue, and insufficient to be replied unto by this repliant; that any other matter or thing whatsoever in the said answer contained material or effectual in the law to be replied unto and not herein and hereby well and sufficiently replied unto, confessed and avoided, traversed or denied, is true.

All of which matters and things this repliant is now and will be ready to aver, maintain, and prove as this honorable court shall direct, and humbly pray as in and by his said bill he has already prayed.

M. A. WHEATON,
Solicitor for Complainant.

(Endorsed:) Received copy of within replication this the first day of June, 1885. D. L. Smoot, attorney for defendants.
39 Filed June 1, 1885. L. S. B. Sawyer, clerk, by F. D. Monckton, deputy clerk.

Enrollment.

In the Circuit Court of the United States, Ninth Circuit, Northern District of California.

GEORGE W. WHITE, Complainant,
vs.
IRA P. RANKIN *et al.*, Respondent-. } No. 1902.

The complainant filed his bill of complaint herein on the 19th day of April, 1878, which is hereto annexed.

A subpœna to appear and answer in said cause was thereupon issued, returnable on the first Monday of June, A. D. 1878, which is hereto annexed.

The respondents appeared herein on the 17th day of June, 1878, by D. L. Smoot, Esq., their solicitor.

On the 6 day of August, 1878, a demurrer was filed herein, which is hereto annexed.

On the 14 day of February, 1881, an order sustaining said demurrer was made and entered herein, a certified copy of which order is hereto annexed.

Amendments to said bill of complaint were filed herein
40 on the 24 day of February, 1881, which amendments are hereto annexed.

On the 7 day of November, 1881, a plea was filed herein, which is hereto annexed.

A replication to said plea was filed herein on 13 day of August, 1883, and is hereto annexed.

On the 1st day of April, 1884, a supplement to plea was filed herein, and is hereto annexed.

An order was made and entered herein on the 11th day of August, 1884, a certified copy of which is hereto annexed.

An amended plea was filed herein on the 27th day of August, 1884, which is hereto annexed.

A replication was filed herein on the 4 day of September, 1884, and is hereto annexed.

An order was made and entered herein on the 29 day of April, 1885, a certified copy of which is hereto annexed.

An answer was filed herein on the 29th day of May, 1885, and is hereto annexed.

A replication to said answer was filed herein on the 1st day of June, 1885, and is hereto annexed.

Thereafter a final decree was filed and entered herein in the words and figures following, to wit:

At a stated term, to wit, the July term, A. D. 1887, of the
41 circuit court of the United States of America of the ninth judicial circuit in and for the northern district of California, held at the court-room, in the city and county of San Francisco, on Monday, 10th day of October, in the year of our Lord one thousand eight hundred and eighty-seven.

Present: The Honorable Lorenzo Sawyer, circuit judge.

Final Decree.

GEORGE W. WHITE
vs.
IRA P. RANKIN *et al.* } No. 1902.

This cause having come on to be heard at the last term of this court, and having been argued by counsel and submitted to the court for consideration and decision, and the court, after due deliberation, having ordered that the bill of complaint herein be dismissed for want of jurisdiction:

Thereupon, upon consideration thereof, it is ordered, adjudged, and decreed that the said complainant's bill of complaint herein be, and the same hereby is, dismissed for want of jurisdiction.

LORENZO SAWYER,
U. S. Circuit Judge, Ninth Judicial Circuit.

(Endorsed:) Filed & entered October 10, 1887. L. S. B. Sawyer, clerk. Eq. 3, p. 331.

42 *Memorandum of Costs and Disbursements.*

UNITED STATES OF AMERICA:

Circuit Court of the United States, Ninth Circuit, Northern District of California.

GEORGE W. WHITE, Plaintiff,
vs.
IRA P. RANKIN *et al.*, Defendants. } In Equity. No. 1902. Memorandum of Costs and Disbursements.

Disbursements.

Marshal's fees	$
Clerk's fees	23 75
Witness fees	
Docket fees	20 00
Taxed at	$43 75

L. S. B. SAWYER, *Clerk*,
By F. D. MONCKTON,
Dep'y Cl'k.

UNITED STATES OF AMERICA,
Northern District of California, City and County of San Francisco, } ss:

D. L. Smoot, being duly sworn, deposes and says that he is the attorney for the defendants in the above-entitled cause, and as such is better informed relative to the above costs and disbursements than the said defendants; that the items in the above memorandum contained are correct to the best of this deponent's knowledge and

belief, and that the disbursements have been necessarily incurred in the said cause.

43 D. L. SMOOT.

Subscribed and sworn to before me this 11th day of October, A. D. 1887.

F. D. MONCKTON,
Commissioner of U. S. Circuit Court,
Northern District of California.

To. M. A. Wheaton, Esq., atto. for plaintiff, G. W. White:

You will please take notice that on Thursday, the 13th day of October, A. D. 1887, at the hour of 10 o'clock a. m., I will apply to the clerk of said court to have the within memorandum of costs and disbursements taxed, pursuant to the rule of said court in such case made and provided.

D. L. SMOOT,
Attorney for Ira P. Rankin et al., Def'd'ts.

Service of within memorandum of costs and disbursements and receipt of a copy thereof acknowledged this 11th day of October, A. D. 1887.

M. A. WHEATON,
Attorney for Pl'ff, G. W. White.

(Endorsed:) Filed this 11th day of October, A. D. 1887. L. S. B. Sawyer, clerk.

Clerk's Cert. — Enrolled Papers.

Certificate to enrolled papers.

Whereupon said pleadings, subpœna, certified copies of
44 orders, final decree, and a memorandum of taxed costs are hereto annexed, said final decree being duly signed, filed, and enrolled pursuant to the practice of said circuit court.

Attest, etc.:

[SEAL.] L. S. B. SAWYER, *Clerk,*
By F. D. MONCKTON,
Deputy Clerk.

(Endorsed:) Enrolled papers. Filed October 10, 1887. L. S. B. Sawyer, clerk, by F. D. Monckton, deputy clerk. Recorded Eq. Dec. Register Book No. 3, page 331.

Stipulation.

Stipulation of submission and agreed facts.

In the Circuit Court of the United States in and for the District of California.

GEORGE W. WHITE, Complainant,
vs.
IRA P. RANKIN *et al.*, Defendants. } No. 1902. In Equity.

First. In the above-mentioned cause it is admitted on behalf of the defendants that after June 13th, 1876, and before November 22nd, 1877, the defendants made and sold more than four furnaces involving devices and inventions described in and covered by the letters patent referred to in the complainant's bill of complaint, and that the said making and selling were done at the instance and by the direction of the defendant James M. Thompson, who asserts that he had authority so to do under the contract, decree, and deed hereinafter mentioned.

45 Second. It is admitted on behalf of the plaintiff that George W. White and James M. Thompson, on February 13th, 1875, entered into the contract of which the paper herewith filed, marked Exhibit "A B," is a copy; that James M. Thompson on August 31st, 1876, filed against George W. White, in the district court for the 19th judicial district of California, the complaint of which the paper herewith filed, marked Exhibit "C D," is a copy; that George W. White filed the answer thereto of which the paper herewith filed, marked Exhibit "E F," is a copy; that afterwards the said 19th district court entered the decree of which the paper herewith filed, marked Exhibit "G H," is a copy, and that Thomas H. Reynolds, as commissioner of the court, executed and delivered to James M. Thompson the deed of which the paper herewith filed, marked Exhibit "I J," is a copy.

It is agreed that the aforesaid copies of the said contract, complaint, answer, decree, and deed shall be treated as originals, and that the said copies may be offered in evidence at the hearing of this cause, subject to such objections only as might be urged against the originals if such originals were presented or offered in the usual and regular way.

Third. It is admitted on behalf of the defendants that in the said case of Thompson *vs.* White the superior court of San Francisco entered the orders of which the paper herewith filed, marked Exhibit "K L," contains copies; that the said case of Thompson *vs.* White was transferred by operation of law from the said district court to the said superior court; that an appeal from the last-mentioned orders was taken by the said Thompson to the supreme

46 court of California, and that the decision of such appeal is contained in vol. 63 of the California Reports, commencing at page 505; that subsequently the superior court of San Francisco made and entered the orders and decrees set forth in the bill of ex-

ceptions signed by Judge James G. Maguire on November 8th, 1884, of which bill of exceptions the paper herewith filed, marked Exhibit "M N," is a copy; that the said Thompson, on December 1st, 1884, appealed to the supreme court of California from the decree dated September 11th, 1884, set forth in said bill of exceptions, and that the said appeal is still pending and undetermined; and that Gordon N. Mott, the commissioner mentioned in the decree of November 22nd, 1877, filed in the said case of Thompson *vs.* White, on the 25th day of October, 1880, the report of which the paper herewith filed, marked Exhibit "O P," is a copy.

And it is agreed that the said Exhibits "K L," M N," and "O P," and the said decision, as reported in vol. 63 of the California Reports, shall be treated as originals, and that they may be offered in evidence at the hearing of this cause, subject to such objections only as might be urged against the originals if such originals were presented or offered in the usual and regular way. Not admitting the right of the superior court to make the decree of August 26th, 1884, mentioned in Exhibit "M N," nor admitting the correctness of the said decree, nor admitting that anything was due from Thompson to White, it is admitted by the defendants that nothing has been paid by Thompson to White under the said decree of August 26th, 1884, and since the making thereof.

It is further agreed that complainant may put his patents or copies thereof in evidence on the final hearing of this
47 cause.

It is further agreed that this cause shall be brought on for hearing upon the pleadings therein and in accordance with the terms of this stipulation or agreement.

Dated this February 19th, 1886.

M. A. WHEATON,
Solicitor for Complainant,
D. L. SMOOT,
Sol. for Def'd'ts.

(Endorsed:) Stipulation of submission and agreed facts. Filed February 26, 1886. L. S. B. Sawyer, clerk, by F. D. Monckton, deputy clerk.

EXHIBIT "A B."

This agreement, entered into by and between George W. White, of the city and county of San Francisco, State of California, party of the first part, and James M. Thompson, of the same place, party of the second part, witnesseth:

That for and in consideration of one dollar in gold coin of the United States in hand paid, and other considerations hereinafter named, the party of the first part hereto agrees to and does hereby bond to the said party of the second part one-fourth (¼) interest in two patents on a rotary furnace, being patents Nos. 44145 and 46287, granted to him by the United States Government,
48 with a corresponding one-fourth interest in all patents that he may hereafter obtain on improvements already made or

that he may make hereafter on the said furnace, together with a corresponding interest in all reissues or extensions on the same, for the term of sixteen months from the date hereof; and said party of the first part also hereby agrees to give to the said party of the second part a full assignment of the before-mentioned interest at the expiration of the said term, if the party of the second part should desire, or at any time before the expiration of said term, if the party of the first part should obtain control of the one-fourth interest in the said patents, now held by a party in New York, on the payment to the party of the first part by the party of the second part of the sum of one thousand ($1,000) dollars, gold coin of the United States, or on the payment of all or any part of said sum, by the surrender to the said party of the first part of any of his promissory notes hereinafter mentioned, and the balance, if any, in U. S. gold coin, and at the same time the making over to the said party of the first part by the said party of the second part of all income that may accrue from the said one-fourth interest as an additional payment of four thousand dollars ($4,000), or until said income shall amount to four thousand dollars, but not to exceed that amount, for the term of two years from the date of said assignment. The party of the first part also further bonds for the term of sixteen months from the date hereof and agrees to assign to said party of the second part one-eighth (⅛) interest in said patents before mentioned on the payment to him any time during the said term of the sum of twenty-five hundred dollars ($2,500) in gold coin of the United
49 States, and a conveyance to him of the income from the said one-eighth (⅛) interest for the term of eighteen months after the date of such assignment as payment for an additional sum of twenty-five hundred dollars ($2,500) in gold coin of the United States for the said interest, but the said income not to exceed twenty-five hundred dollars, nor to continue longer than the said eighteen months after the assignment is given.

And should the party of the second part desire also to obtain another one-eighth (⅛) interest in the before-mentioned patents, the party of the first part agrees to convey the same on the same conditions as the before-mentioned one-eighth (⅛), it being understood and agreed that all or part of the before-mentioned interests shall not be conveyed to any other party or parties for speculative purposes, and that no other partner or partners shall be introduced into the interests held by either party hereto without the consent of both parties.

The party of the second part hereby agrees, in consideration of the above, to cause to be loaned to the party of the first part a sum of money not exceeding one thousand dollars in gold coin of the United States for the term of sixteen months from the date of this agreement, or until any time during said term that the assignment of the first-mentioned one-fourth interest is made to the said party of the second part, at one and one-half per cent. per month interest, three hundred and eighty-two dollars and twenty cents ($382.20) of which has already been advanced to the said party of the first

part, the receipt whereof he hereby acknowledges, and the
50 balance of six hundred and seventeen dollars and eighty cents ($617.80) to be advanced to the said party of the first part from time to time as fast as he may require for the purpose of aiding in the erection of a rotary furnace in this city, a mortgage to be given by the party of the first part on the same and other improvements therewith connected, on demand of the said party of the second part, on or before the completion of the furnace, as security for the said payments and interest on the same.

The party of the first part also further agrees, as an additional consideration for the use of the said one thousand dollars, to pay over to the said party of the second part one hundred and twenty-five dollars ($125) per quarter of each three months in United States gold coin out of the income of the whole earnings of the royalty or furnace income (after the first one-fourth assignment before mentioned) for the term of two years from the date of said assignment, and also to execute a license to the said party of the second part for the free use, or to receive the royalty for his own use of two (2) of said furnaces that the party of the second part may cause to be erected and to be so placed and set going, under direction of and supervision of the party of the first part, without charge for his time while so employed.

Should, however, the party of the second part purchase the first-mentioned one-fourth interest, as before mentioned, then, in that case, the said license shall, at the date of such assignment, be revoked and the earnings of said furnace revert to the joint interests held thereafter in the patents.

The party of the second part having heretofore assigned
51 to the party of the first part a certain promissory note, dated September 17th, 1874, drawn by James Smart to the order of Jason Springer, for one thousand dollars ($1,000), payable in fifteen days after date, and assigned by said Springer without recourse, and also said James Smart's agreement, dated September 17th, 1874, to deliver five hundred dollars' ($500) worth of lumber on or before the 15th day of October, 1874, the proceeds of said note and agreement to be also applied by the party of the first part to the erection of said furnace and repaid by him to the party of the second part, with interest at one and one-half per cent. per month, out of the first net proceeds or income from said furnace, the said party of the first part agrees at any time, on demand of the party of second part, to execute and deliver a mortgage on the said furnace, with the improvements connected therewith, to secure the payment of the said proceeds.

The party of the first part further agrees that should he succeed in obtaining the before-mentioned interest, now held in New York, at a less amount than five thousand dollars ($5,000), then, in that case, a corresponding amount shall only be demanded by him of the party of the second part in full payment for the one-fourth interest now owned by him and first herein mentioned and herein bonded by him to the party of the second part.

It is further agreed by the parties hereto that the agreement made

between them on the 1st day of October, A. D. 1874, in reference to the erection of the said furnace and the one-fourth interest in the patents for the same, is hereby cancelled and set aside and rendered null and void (except as to the parts already performed) by this agreement.

52 In witness whereof the parties hereunto set their hands and seals this thirteenth day of February, A. D. 1875.

GEO. W. WHITE. [L. S.]
JAMES M. THOMPSON. [L. S.]

Witness:
R. B. LOVEJOY.

It is further understood and agreed by both the said parties to the above contract that should any assignment by the party of the first part be made of any of the interests in said patents, as therein provided, said assignment will also include a corresponding share or interest in all income or royalty from all furnaces erected or in process of construction or erection or contracted for at the time of the said assignment.

GEO. W. WHITE.
JAMES M. THOMPSON.

Witness:
R. B. LOVEJOY.

(Endorsed:) Exhibit "A B," being copy of contract between White and Thompson referred to in stipulation between counsel. M. A. Wheaton, sol. for White. D. L. Smoot, sol. for Rankin *et al.*

EXHIBIT "C D."

In the District Court of the Nineteenth Judicial District of the State of California in and for the City and County of San Francisco.

53 JAMES M. THOMPSON, Plaintiff,
against
GEORGE W. WHITE, Defendant.

Complaint of James M. Thompson.

The plaintiff in the above-entitled action, complaining of George W. White, the defendant in said action, alleges:

First. That George W. White, the defendant, was on and before the (13th) thirteenth day of February, A. D. 1875, possessed, as patentee and owner, of (2) certain patent rights granted by the Government of the United States of America to the said George W. White; said patents were for a rotary furnace and known as numbers (44145) forty-four thousand one hundred and forty-five and (46287) forty-six thousand two hundred and eighty-seven; and, being so possessed as patentee and owner as aforesaid, on, to wit, the (13th) thirteenth day of February, A. D. 1875, the said George W. White entered into a certain agreement in writing or writing obligatory with complainant and executed and delivered the same to complain-

ant, whereby the said George W. White, defendant, did bond unto complainant for the space and period of sixteen (16) months from and after the date aforesaid, to wit, the (13th) thirteenth day of February, A. D. 1875, the right to purchase a one-fourth (¼) interest in both of said patent rights, known as numbers 44145 and 46287, hereinbefore described, for certain considerations fully set
54 forth in said "agreement or writing obligatory, said considerations being as follows, to wit:" One dollar in gold coin of the United States, in hand paid, and one thousand dollars in gold coin of the United States, to be paid within the space and period of (16) sixteen months from the date of said agreement or writing obligatory, or on the payment of all or any part of said sum by the surrender to the said White of certain promissory notes by this complainant within said period of (16) sixteen months from the date of said agreement or writing obligatory, and should the promissory notes surrendered as aforesaid not amount to ($1,000.00) one thousand dollars the balance or deficit should be paid in gold coin of the United States, and at the same time this complainant was required to make over to the said White all income to accrue from the said one-fourth (¼) interest in said patent, bonded to be sold to complainant for the space of two years or until the income aforesaid shall equal the sum of ($4,000) four thousand dollars, balance of purchase price of said one-fourth (¼) interest as aforesaid, but in no event was the making over of the income from said one-fourth (¼) interest to be for a period exceeding (2) two years from the date of the said assignment; and a further consideration that this complainant should cause to be loaned to said defendant a sum not exceeding one thousand dollars ($1,000.00), in gold coin of the United States, for a space of (16) sixteen months from the date of said written agreement or writing obligatory or until any time during said term that an assignment of said one-fourth (¼) interest may be made, the sum of three hundred and eighty-two $\frac{20}{100}$ dollars being acknowledged in said writing obligatory as already advanced
55 and the remaining six hundred and seventeen $\frac{80}{100}$ dollars to be advanced from time to time as required in aid of erecting a rotary furnace in this city. In consideration whereof the said defendant agreed to pay for the use of said money so advanced and to be advanced interest at the rate of one and one-half (1½) per cent. per month, and a further sum of one hundred and twenty-five dollars in gold coin of the United States per quarter for every three months for the space of (2) two years from the date of the assignment of said (¼) interest, derivable and payable from the whole royalty or furnace income; and in further consideration whereof the said defendant, White, did on said agreement and writing obligatory covenant and agree and bind himself to execute and deliver to this complainant a full assignment of a one-fourth (¼) interest in both of said patents, known as numbers 44145 and 46287, with a corresponding interest in all patents that he may thereafter obtain for improvements on said patents, including reissues and extensions of the same, at the expiration of the term of (16) sixteen months from the date of said agreement or writing obligatory, or at an earlier date should he,

the said White, obtain control of a one-fourth (¼) interest in said patents, alleged to be held by a party in New York, upon complainant complying with the conditions hereinbefore set forth—

The said White furthermore agreeing, covenanting, and binding himself that if he obtained the control of the said (¼) one-fourth interest, alleged to be held in New York, for a less sum than ($5,000.00) five thousand dollars, then and in that event a like amount shall only be demanded from this complainant in
56 full payment of said one-fourth (¼) interest in said patents bonded to be sold to this complainant.

And it was further agreed between complainant and defendant that the assignment of any interest in said patents to complainant shall include a corresponding share or interest in all income or royalty from all furnaces erected or in process of erection or contracted for at the time of said assignment; all of which will more fully appear by reference to a copy of said agreement and writing obligatory hereunto annexed and made part hereof.

Complainant avers that he duly and diligently performed all of the requirements, covenants, and conditions, and paid and advanced all of the amounts of money in strict accordance with the terms of said agreement or writing obligatory, and that within the time mentioned by said agreement and writing obligatory this complainant made tender to said White of the certain promissory notes to be surrendered in amount sufficient to fully equal ($1,000.00) one thousand dollars, and further — to do and perform all things to to the fulfillment of the stipulations and agreements in said written agreement or writing obligatory required as precedent to the assignment by the said White of said one-fourth (¼) interest in said patents, and requested him, the said White, to specifically perform his said covenants and agreements to convey and assign said one-fourth (¼) interest in said patents as aforesaid, but said White refused and still refuses so to do; and plaintiff avers that ever since said tender so made, as aforesaid, on, to wit, the 13th day of June, A. D. 1876, he has remained and still is ready to
57 deliver and surrender to said White his said certain promissory notes as aforesaid, and to make over to said White the income to accrue from said one-fourth interest in said patents for the space of (2) two years, or until the said income shall equal the sum of four thousand dollars ($4,000.00), and now brings the said notes into court for that purpose; and complainant evers that he has always been and now is ready and willing to receive a conveyance or assignment of said one-fourth (¼) interest in said patents as aforesaid, and further to do and perform all and all manner of things that equity, law, good conscience, and justice may require in the premises; and complainant avers that he has reason to believe and does verily believe that said patent rights known as numbers 44145 and 46287 possess great merits, and that with proper management great sums of money and profits can be realized from the manufacture and sale of furnaces and from royalties derivable from the use of said patent rights, but the profits to be realized are undetermined, being uncertain, dependant upon the real value and merits of

the patents and the enterprise of the owners thereof. Complainant avers that no proper or correct estimate can be made of the damages he will sustain by reason of the continued neglect and refusal of defendant to assign to him, complainant, the said one-fourth (¼) interest in said patents; and complainant avers that he is entitled to said assignment, and that the defendant is in duty bound so to assign and sell unto him said one-fourth interest in said patents; and complainant avers that until said assignment is made that he will continue to suffer great loss and damages in the derangement of his business plans that cannot be correctly estimated, and
58 that he has no adequate remedy save by specific performance of the agreement to assign. Complainant has reason to believe and does believe and charge that the said White has received and is still to receive large sums of money arising from the sale of furnaces and from royalties and commuted royalties for the use of said patent rights; one-fourth of all of said sums of income of every nature whatever complainant is entitled to receive under the terms of the said written agreement or writing obligatory.

And complainant avers that by reason of the breach of the covenants and agreements to convey and assign on the part of the defendant, as hereinbefore set forth, and of his failure to specifically perform the same, plaintiff has suffered damages to the amount of ten thousand dollars ($10,000).

Wherefore complainant prays that the defendant, George W. White, be served with a copy of this complaint and be duly cited to appear and answer thereto, and especially to set forth in his said answer the date when he acquired control of the one-fourth (¼) interest alleged to be held by a party in New York, and the amount he paid or is to pay for the said control of said interest, and that said defendant be required to set forth in his said answer and disclose the exact amount of income derived from royalty, and all other income of every nature whatever derived and to be derived from contracts and agreements made relative to the use of said patent rights or derivable from construction of furnaces manufactured or made under said patent rights, and account to complainant for his interest in the same, and that after due proceedings had, that complainant have judgment; that the said covenants and agree-
59 ments so made between plaintiff and defendant hereinbefore set forth may be specifically performed, and that the said defendant may be adjudged to sell and assign the said one-fourth (¼) interest in said patents known as numbers 44145 and 46287 according to the covenants and agreements in the said written agreement and writing obligatory to this complainant, and to execute and deliver to complainant a good and sufficient assignment thereof on the surrender and delivery to the said White — the said certain promissory notes and the making over of the income of the said one-fourth (¼) interest in said patent rights for the space and period of two (2) years, or until the balance of the purchase-money thereof is paid in accordance with the terms of said agreement or writing obligatory.

And that the said George W. White, defendant, be adjudged fur-

ther to pay the said complainant the damages complainant has sustained in such event, to wit, ten thousand dollars ($10,000) and costs of suit, and for all such further aid, relief, and remedy as the law will permit and the nature of the case may require and to this honorable court may seem meet and just.

By J. M. DAVIDSON,
Attorney for Complainant.

STATE OF CALIFORNIA, }
City and County of San Francisco, } ss:

James M. Thompson, being duly sworn, says that he is the
60 plaintiff in the above-entitled action; that he has heard read the foregoing complaint and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters which are therein stated on his information or belief, and as to those matters that he believes it to be true.

JAMES M. THOMPSON.

Subscribed and sworn to before me this thirty-first day of August, A. D. 1876.

W. STEVENSON,
Deputy County Clerk.

(Endorsed:) Filed August 31st, 1876. Thos. H. Reynolds, clerk, by W. Stevenson, deputy clerk.

(Endorsed:) Exhibit "C D," being copy of complaint referred to in stipulation between counsel. M. A. Wheaton, sol. for White; D. L. Smoot, sol. for Rankin *et al.*

EXHIBIT "E F."

In the District Court of the Nineteenth Judicial District.

CITY AND COUNTY OF SAN FRANCISCO, }
State of California, } ss:

JAMES M. THOMPSON, Plaintiff, }
vs. } No. 4318.
GEORGE W. WHITE, Defendant. }

61 And now comes the defendant, Geo. W. White, by Aug. M. Heslep, his attorney, and, answering unto the complaint of the plaintiff, for answer says:

This defendant admits that on and before the 13th day of February, A. D. 1875, he was the patentee of two certain patent rights granted by the Government of the United States, but he denies and says it is not true that he was, on the day and year aforesaid, the sole and exclusive owner of said patent- for a rotary furnace, known as numbers forty-four thousand one hundred and forty-five (44145) and forty-six thousand two hundred and eighty-seven (46287); that he owned but a moiety in said patent rights; and it is true that on the day and year aforesaid he did enter into a certain agreement or

writing obligatory with the plaintiff, a copy whereof is annexed to his said complaint, and this defendant admits the same as a correct copy thereof and makes reference thereunto for the purposes of this answer; that by said writing obligatory this said defendant admits that he agreed and obligated himself to assign and set over to the plaintiff, at the end of sixteen (16) months from and after the thirteenth (13) day of February, A. D. 1875, in compliance with the conditions in said agreement mentioned by the plaintiff.

And, further, to convey and assign to said plaintiff a certain other outstanding interest of one-fourth (¼) in said patents, provided he, the said defendant, could acquire and secure said interest, and on the conditions and terms in said agreement or contract mentioned, reference being made thereto and made part thereof

62 This defendant further admits that the said plaintiff did advance *in* several distinct sums of money, aggregating *in* the sum of $1,009, as set forth in his complaint, and in accordance with said contract or agreement, for which said plaintiff holds the notes of the defendant, to be returned to him provided he, the said plaintiff, should comply with his said contract and undertakings and elect at the end of the said sixteen months from and after the thirteenth day of February, A. D. 1875, to receive an assignment of the one-fourth (¼) interest in the patents in his complaint mentioned, and upon such election to receive an assignment of said ¼ interest in said patents to return said notes to this defendant.

And this defendant now charges, alleges, and avers that the said plaintiff did not elect to receive an assignment of a ¼ interest in the patent rights in his complaint mentioned within the sixteen months in his complaint and agreement mentioned, and he denies the allegation of the plaintiff in his said complaint, and says it is not true that he tendered and offered to surrender to this defendant the notes in his complaint mentioned within said sixteen months from the date of said agreement set forth and made part of his said complaint; and this defendant denies the same, and says it is not true, as alleged and set forth in his said complaint, that he, the plaintiff, did perform all things to the fulfillment and stipulations in said written agreement or writing obligatory required, as precedent to the assignment by this defendant of said one-quarter interest in said patents, within the sixteen months in said agreement

63 mentioned, and it is not true and he denies the same, that he, said plaintiff, requested this defendant to specifically perform his covenants and agreements to convey and assign said one-fourth interest in said patents at any time within sixteen months from the date of said agreement mentioned.

And this defendant alleges, charges, and avers that at no time within said sixteen months in said agreement mentioned, or at the time of his alleged tender of the promissory notes of this defendant and demand for an assignment of the one-fourth interest in the patent rights in his complaint mentioned, did he at such times or any other time within said sixteen months tender or offer to tender or make over to this defendant the income to accrue from the said one-fourth interest in said patent rights to this defendant for the

space of two years or until said revenue should equal the sum of four thousand ($4,000) —.

This defendant avers and shows to the court — the said last-named obligation of the said plaintiff to transfer, convey, and assign to this defendant the revenue or income of the said one-fourth interest in said patent rights that said plaintiff is seeking to obtain from this defendant was and is part consideration for the transfer of said interest by this defendant to said plaintiff, and he avers and shows to the court the same is in the nature of a condition precedent, and he was and is lawfully entitled to said transfer or assignment of the revenue or income of said one-fourth interest in said patents demanded by the said plaintiff prior to or cotemporaneous with a transfer of the said one-fourth interest in said patent right; and

64 he reiterates his allegation in this behalf that said plaintiff did not at the time of the alleged tender of the promissory notes to this defendant *and* demand an assignment of said one-fourth interest in said patent rights, or in any manner within the sixteen months aforesaid tender or offer to do all and every necessary thing to be done as part consideration for said transfer of the one-fourth interest in said patent rights; that said transfer of the revenue of said one-fourth interest sought to be obtained from this defendant was a part consideration therefor, and this defendant charges, alleges, and avers that said plaintiff has not or ever offered to make said transfer or assign the same to this defendant at any time prior to or within the sixteen months provided for in said contract or agreement.

This defendant further charges, alleges, and avers that so much of the bill of complaint and agreement relating to an outstanding ¼ interest in said patents mentioned, held in the city of New York, wherein this defendant was seeking to obtain, this defendant charges and avers, said one-fourth interest, was not obtained or the control thereof came to this defendant any time prior to the expiration of the sixteen months in said contract mentioned, nor did the same come under control of this defendant at any time prior to the commencement of this suit.

This defendant, for further and special answer to the complaint herein, says that the relief sought to be obtained by the said plaintiff relates to the assignment of two certain patent rights, numbers respectively 44145 and *No.* 46287, — are certain patents in the nature of a franchise, — were granted to the defendant by the Government of the United States, subject to such rules and regulations prescribed by said Government.

65 And, further, he shows to the court that all assignments, transfers, and sales are regulated and controlled by said Government, and the same is solely the subject of adjudication by the courts of the United States. Wherefore this defendant pleads to the jurisdiction of this honorable court, and says this court ought not to take jurisdiction, because he says it cannot grant and enforce the relief prayed for in the complaint of said plaintiff, and the cause of action in the complaint of said plaintiff is the subject of adjudica-

tion in the courts of the United States; wherefore he demands judgment to this his plea to the jurisdiction of this court.

And for further and other answer to said complaint this defendant shows to the court that it is not true, and he denies the same, that the said plaintiff has been damaged in the sum of ten thousand dollars or any other sum of money. Wherefore this defendant prays that the bill of complaint of said plaintiff be hence dismissed, and that he do have and recover of said plaintiff his costs in this behalf laid out and expended, and for full relief in the premises.

AUG. M. HESLEP,
Defendant's Att'y.

STATE OF CALIFORNIA,
City and County of San Francisco.

George W. White, being duly sworn according to law, says he is the defendant in the above cause; that he has heard the foregoing answer read and understands the contents thereof, and the same is true of his own knowledge, excepting such parts thereof
66 stated on information and belief, and those he believes to be true; and further he saith not.

(Signed) GEO. W. WHITE.

Sworn and subscribed to before me this 21st day of November, A. D. 1876.

[SEAL.] OSCAR T. SHUCK,
Notary Public.

(Endorsed:) Filed Nov. 27th, 1876. Thos. H. Reynolds, clerk, by W. W. Reed, deputy clerk.

(Endorsed:) Exhibit "E F," being copy of answer referred to in stipulation between counsel. M. A. Wheaton, sol. for White; D. L. Smoot, sol. for Rankin *et al.*

EXHIBIT "G H."

Decree.

In the District Court of the Nineteenth Judicial District of the State of California in and for the City and County of San Francisco.

JAMES M. THOMPSON, Plaintiff,
vs.
GEORGE W. WHITE, Defendant. } No. 4318.

This cause was heard upon the plaintiff's complaint and
67 the defendant's demurrer thereto—which was overruled—and the defendant's answer to the said complaint, the testimony of witnesses, and documentary evidence, and was argued by counsel for both plaintiff and defendant.

Whereupon the court makes the following findings of fact, viz:

First. That the contract mentioned in the complaint and answer, a copy of which is annexed to the complaint and considered as

herein incorporated, was entered into and executed by the plaintiff and defendant.

Second. That the plaintiff made to the defendant the loan of one thousand dollars and delivered to him the Smart note and Smart agreement mentioned in the said contract and received from the defendant his notes for the said sum of one thousand dollars.

Third. That the plaintiff elected to take an assignment of one-fourth of the patent rights mentioned in the said contract and made known to the defendant his said election before and upon the expiration of the sixteen months mentioned in the said contract.

Fourth. That at the expiration of the said sixteen months the plaintiff, in the city and county of San Francisco, with reasonable diligence, sought the defendant at his residence, his place of business, and within a reasonable distance thereof, for the purpose of demanding from the defendant an assignment of one-fourth of the said patent rights, and for the purpose of and prepared to
68 tender and deliver to the defendant in payment therefor the defendant's said notes and the plaintiff's assignment of the income of the said one-fourth in accordance with the terms of the said contract.

Fifth. That the defendant knew of the plaintiff's purpose and evaded him.

Sixth. That at the expiration of the said sixteen months the plaintiff, by a writing addressed to and received by the defendant, demanded an assignment of the said one-fourth of the said patent rights, and offered to pay the consideration and perform the conditions imposed on him by the said contract.

Seventh. That on July 11th, 1876, the plaintiff made to the defendant a personal tender of the defendant's said notes and an assignment of the income of the said one-fourth and demanded from the defendant an assignment of the said one-fourth.

Eighth. That the defendant made no objections to any of the said offers or tenders of performance.

Ninth. That between the first offers of performance and the commencement of this suit, on September 1st, 1876, the plaintiff made efforts to settle the matter without litigation.

Tenth. That the plaintiff at the expiration of the said sixteen months was and ever since has been and still is willing and ready to perform the conditions on his part to entitle him to the assignment of the said fourth, and in due time made tender of performance.

From which findings of fact the court is of opinion, as a
69 conclusion of law, that the plaintiff is entitled to an assignment of one-fourth of the said patent rights as of June 13th, 1876, and to the account hereinafter directed.

Wherefore it is by the court ordered, adjudged, and decreed as follows, viz:

First. That the defendant, George W. White, execute and deliver to the plaintiff, James M. Thompson, a proper deed, duly acknowledged for recordation, transferring and assigning to the said James M. Thompson, as of June 13th, 1876, a one-fourth interest in the said

two inventions for roasting ores, secured by letters patent of the United States numbered respectively 44145 and 46287, with a corresponding one-fourth interest in all patents that the said George W. White may have obtained since February 13th, 1875, or may hereafter obtain on improvements heretofore or which hereafter may be made by the said White on the said inventions, and a corresponding interest in all reissues and extensions of the said patents.

Second. That the said Thompson, upon the delivery of the said deed, shall surrender to the defendant his said notes and execute and deliver to him an assignment of the income of the said one-fourth, conditioned to run for the period of two years from June 13th, 1876, unless the sum of four thousand dollars be sooner realized.

Third. That if the said White shall fail for the space of five days from the date of this decree to obey the same, then and in
70 that event Thomas H. Reynolds, the clerk of this court, is appointed a special commissioner to execute and deliver to the said Thompson the said deed and receive for the said White the said notes and assignment of income.

It is further adjudged, ordered, and decreed that it be referred to Commissioner Gordon N. Nott to ascertain and report to this court:

First. Whether the said White has obtained control of the one-fourth interest in the said patents held by a party in New York; and, if so, when and at what price.

Second. What income has been derived by the said White and Thompson respectively from the said patent rights since June 13th, 1876.

Third. What the said Smart note and Smart agreement yielded to the said White.

Fourth. How many of the said furnaces, if any, were erected, or in process of construction or erection, or contracted for on June 13th, 1876, and what one-fourth of all the income or royalty derivable therefrom amounts to.

Fifth. What profits have been lost and damage sustained, if any, by Thompson since June 13th, 1876, in consequence of White's failure to make the said assignment, and what amount, if any, of Thompson's stipulated compensation under the said contract is unpaid and owing.

It is further ordered, adjudged, and decreed that the plaintiff recover of the defendant his costs in this behalf expended
71 up to and including the entry of this decree, and that as to future cost they abide the further order of the court.

Costs amounting to the sum of eighty dollars ($80).

Dated this 22d day of November, A. D. 1877.

E. D. WHEELER,
Judge of the 19th District Court of Cal. in and for the City and County of San Francisco.

Judgment recorded Nov. 26th, 1877.
(C. 588.)

EXHIBIT "I J."

This indenture, made the thirty-first day of January, in the year eighteen hundred and seventy-eight, between Thomas H. Reynolds, clerk of the district court of the nineteenth judicial district of the State of California in and for the city and county of San Francisco, party of the first part, and James M. Thompson, of the said city and county of San Francisco, party of the second part:

Whereas, by a contract in writing dated February 13th, 1875, George W. White agreed to assign to the said James M. Thompson, for the consideration in said contract mentioned, an undivided one-fourth of two inventions for roasting ores, secured by letters patent issued by the Government of the United States numbered respectively 44145 and 46287 and dated respectively September 6th,
72 1864, and February 7th, 1865;

And whereas, by the terms of the said contract, the said James M. Thompson had until the expiration of sixteen months from the date of the said contract within which to elect to take an assignment of the said one-fourth interest in the said patents;

And whereas, before and upon the expiration of the said sixteen months, the said James M. Thompson elected to take an assignment of the said one-fourth interest, made tender of performance to the said George W. White of the conditions imposed by the said contract upon him, the said James M. Thompson, and demanded an assignment of the said one-fourth interest;

And whereas the said George W. White refused to make the said assignment, and the said James M. Thompson brought suit against the said George W. White in the district court of the nineteenth judicial district of the State of California in and for the city and county of San Francisco to enforce a specific performance of the said contract;

And whereas the said court, by a decree in the said suit, dated November 22d, A. D. 1877, directed the said "George W. White to execute and deliver to the said James M. Thompson a proper deed, duly acknowledged for recordation, transferring and assigning to the said James M. Thompson, as of June 13th, 1876, a one-fourth interest in the said two inventions for roasting ores, secured by letters patent of the United States numbered respectively 44145
73 and 46287, with a corresponding one-fourth interest in all the patents that the said George W. White may have obtained since February 13th, 1875, or may hereafter obtain on improvements heretofore or which hereafter may be made by the said White on the said inventions, and a corresponding interest in all reissues and extensions of the said patent-;

And whereas the said decree further provided that the said James M. Thompson, upon the delivery of the said deed by the said White, should surrender to the said White the notes of the said White mentioned in the said contract, and that he, the said Thompson, should at the same time execute and deliver to the said White an assignment of the income of the said one-fourth interest, to run for the

period of two years from June 13th, 1876, unless the sum of four thousand dollars should be sooner realized;

And whereas the said decree further provided that if the said White should fail for the space of five days from the date of the said decree to obey the same, that then and in that event the said Thomas H. Reynolds, the clerk of the said court, should, as a special commissioner appointed for the purpose, execute and deliver to the said Thompson the said deed and receive for the said White the said notes and assignment of income from the said Thompson;

And whereas the said White has failed for more than five days to execute and deliver to the said Thompson the said deed;

And whereas the said Thompson has called upon the said Thomas H. Reynolds, as special commissioner aforesaid, to
74 execute and deliver to him the said deed, and has delivered to the said Reynolds for the said White the notes mentioned in the said decree and contract, and also the said assignment of the income of the said one-fourth interest:

Now, therefore, this deed witnesseth: That for and in consideration of the premises and the sum of one dollar the said Thomas H. Reynolds, as clerk of the said court and special commissioner as aforesaid, doth grant, assign, transfer, and set over to the said James M. Thompson, as of June 13th, A. D. 1876, a one-fourth interest in the said two inventions for roasting ores, secured by letters patent of the United States numbered respectively 44145 and 46287, with a corresponding one-fourth interest in all the patents that the said George W. White may have obtained since February 13th, 1875, or may hereafter obtain on improvements heretofore or which hereafter may be made by the said White on the said inventions, and a corresponding interest in all reissues and extensions of the said patents.

The word "from," in the last line on the third page, struck out before signing and sealing.

Witness the signature and seal of the said Thos. H. Reynolds, clerk and commissioner aforesaid.

THOS. H. REYNOLDS. [SEAL.]
Commissioner.

STATE OF CALIFORNIA,
City and County of San Francisco, } ss:

75 On this thirty-first day of January, A. D. 1878, before me, Holland Smith, a notary public in and for the said city and county, residing therein, duly commissioned and sworn, personally appeared Thomas H. Reynolds, known to me to be the person whose name is subscribed to the above instrument, and he, the said Thomas H. Reynolds, acknowledged to me that he executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[SEAL.]

HOLLAND SMITH,
Notary Public.

Attached to the said deed is the following certificate, viz:

"Received for record Feb'y 11th, 1878, and recorded in Liber I 22, page 384, of Transfers of Patents.

In testimony whereof I have caused the seal of the Patent Office to be hereunto affixed.

[L. S.] W. N. DOOLITTLE,
Acting Commissioner."

Ex'd: C. F. T.

(Endorsed:) Exhibits "G H" and "I J," being copies of decree and deed referred to in stipulation between counsel. M. A. Wheaton, sol. for White; D. L. Smoot, sol. for Rankin *et al.*

76 EXHIBIT "K L."

In the Superior Court, City and County of San Francisco.

Title of Court and Cause.

This cause having heretofore been heard as to the motion for a final judgment herein upon the pleadings in the case, the findings, interlocutory, decree, order of reference heretofore made, and the report of Hon. Gordon N. Mott, the referee appointed by said order of reference, including the evidence taken by both parties, plaintiff and defendant, before said referee;

And it appearing to the court that there has been a mistrial of the action, and that no judgment can be entered by the court until a new trial of the case is had, and that the so-called judgments heretofore entered are of no force or validity—

The court orders that the so-called interlocutory decree made in this cause by the district court of the 19th judicial district of the State of California in and for the city and county of San Francisco on the 22d day of November, 1877, and also the conveyance made thereunder by Thomas H. Reynolds, bearing date on the 31st day of January, 1878, and all proceedings in said action subsequent to the filing of the answer, be, and they are hereby, set aside and vacated and the cause be restored to the calendar for trial.

It is further ordered that the complainant, James M. Thompson, pay to the defendant all his costs of suit in this action
77 expended up to the present time, and that the defendant have execution therefore, and that execution be stayed for ten days.

"Upon good cause shown and upon motion of J. J. Scrivner, Esq., of counsel for defendant, after notice, it is ordered that the order in this case made on the 4th day of February, A. D. 1881, and entered on page 494 of minute book of this department, be, and the same is hereby, amended *nunc pro tunc* as of said date, so as to read as follows:

"The motion of the defendant for a final decree in this action came on regularly to be heard—D. L. Smoot, Esq., appearing as counsel for the plaintiff, and M. A. Wheaton, Esq., for the defendant—and was heard upon the pleadings, the findings, interlocutory

decree, and order of reference, and the report of Gordon N. Mott, Esq., and the evidence taken by said referee, but upon no other evidence; and it appearing to the court that there has been a mistrial of this action, and that the so-called judgment and decree heretofore entered are of no force or validity as a judgment or decree, but is a mere order of reference, and that there has been a mistrial of this action, and that no judgment can properly be entered without a new trial of this action: Now, upon the suggestion and motion of the defendant, it is ordered that the said so-called interlocutory decree made by the late district court of the 19th judicial district of the State of California in and for the city and county of San Francisco on the 22d day of November, A. D. 1877, and also the conveyance made thereunder by Thomas H. Reynolds, Esq., bearing date on the 31st day of January,
78 1878, and all proceedings in said action subsequent to the filing of the answer be, and they are hereby, vacated and set aside, and that the cause be restored to the calendar for trial.

"And the court, in the exercise of its discretion, upon all the circumstances of the case, further orders that the plaintiff, James M. Thompson, pay to the defendant all his cost of suit expended up to the present time, and that the defendant have execution therefor. Ordered that execution be stayed for ten days."

Filed March 21st, 1881.

WM. A. STEUART, *Clerk*,
By HY. P. TRICOU,
Deputy Clerk.

(Endorsed:) Exhibit "K L," being copies of orders referred to in stipulation between counsel. M. A. Wheaton, sol. for White; D. L. Smoot, sol. for Rankin *et al.*

EXHIBIT "M N."

In the Superior Court of the City and County of San Francisco, State of California, Department No. 4.

JAMES M. THOMPSON, Plaintiff,
vs.
GEORGE W. WHITE, Defendant.
} No. 4318. Late 19th District Court.

79 Be it remembered that after the remittitur from the supreme court in the above-entitled action had been received and duly filed the defendant, George W. White, notified the plaintiff in writing that he would move the court to place the said cause upon the trial calendar of the court and enter a final decree therein or proceed to take such other steps in the cause as might be proper. Pursuant to the said notice the cause was placed upon the calendar and brought on for a hearing upon the following and nothing else, viz., the pleadings, orders of court, findings, and decree of November 22d, 1877, and the bill of exceptions settled by Judge Hayne on March 21st, 1881, all of which are contained in the judgment-roll herein and set forth in full in the printed transcript used on said

appeal. Neither party offered any further evidence. After argument of counsel the court took the case under advisement.

Afterwards, to wit, on the 28th day of March, A. D. 1884, the court made the following order in the said cause, viz:

"This cause having been heretofore tried, argued, and submitted to the court for consideration and decision and taken under advisement, and now, the court having fully considered the same and being fully advised therein, it is ordered that judgment be entered herein in favor of the plaintiff; that the defendant assign and convey to the plaintiff a one-quarter (¼) interest in the patents mentioned in the complaint herein upon the surrender of the promissory notes mentioned in the said complaint by the plaintiff to the defendant and the payment by plaintiff to the defendant of the sum of three thousand ($3,000) dollars in lawful money of the
80 United States of America."

Afterwards, to wit, on the 7th day of April, A. D. 1884, by consent of counsel, the court made the following order in the said cause, viz:

"Order for judgment vacated and set aside and cause resubmitted on briefs on file."

Afterwards, to wit, on the 26th day of August, A. D. 1884, the court made the following order in the said cause, viz:

"This cause having been heretofore tried, argued, and submitted to the court for its consideration and decision and taken under advisement, and now, the court having fully considered the same and being fully advised therein, it is ordered that judgment be entered herein in favor of the plaintiff and against the defendant; that the defendant convey one-fourth (¼) interest in the patents mentioned in the complaint herein, and a corresponding one-fourth (¼) interest in all patents and patentable improvements on said invention made by defendant prior to June 13th, 1876, upon the delivery by the plaintiff to the defendant of the "notes" mentioned in the said complaint and the payment by the plaintiff to the defendant of the sum of four thousand ($4,000) dollars in lawful money of the United States of America.

"And it is further ordered that judgment be entered herein in favor of the plaintiff and against the defendant for his costs incurred in this action, amounting to the sum of $——."

81 Afterwards, to wit, on the 11th day of September, 1884, the court made and entered the following decree in the said cause, viz:

"This cause coming on to be heard upon the pleadings and records in the case; the interlocutory decree heretofore entered in this cause by the nineteenth district court on the 22d day of November, 1877, and the report of Court Commissioner Gordon N. Mott, made in pursuance of said interlocutory decree and filed October 25th, 1880; the exceptions to the said report, filed by plaintiff November 20th, 1880, and the order of the court overruling said exceptions,

made on the seventeenth day of December, 1880, and the court being fully advised in the premises—

It is now hereby ordered, adjudged, and decreed that the plaintiff, James M. Thompson, pay to the defendant, George W. White, within ninety (90) days from this date, the sum of five thousand dollars ($5,000) by surrendering to said defendant the 'certain promissory notes' mentioned in the complaint and paying the balance or deficit of said five thousand ($5,000) dollars in United States gold coin.

That upon said payment being made within said ninety (90) days from this date the said George W. White shall make, execute, and deliver to the said James M. Thompson an assignment of an undivided one-fourth part of the two United States letters patent mentioned in the complaint, viz., United States letters patent for a rotary furnace, and known as numbers forty-four thousand one
82 hundred and forty-five (44145) and forty-six thousand two hundred and eighty-seven (46287), together with a corresponding one-fourth part of all patented and patentable improvements on the inventions described in said two letters patent made by the said George W. White prior to the thirteenth day of June, 1876; the said assignment to be so drawn as to take effect by its terms on said thirteenth day of June, 1876.

It is further ordered, adjudged, and decreed that if the said James M. Thompson fail to make the payment of five thousand ($5,000) dollars within ninety (90) days from this date, then and in such case he shall not be entitled to said conveyance, and this action and all proceedings herein shall stand dismissed and vacated.

It is further ordered, adjudged, and decreed that the plaintiff recover from the defendant his costs expended in this action and not already collected.

Done in open court this 11th day of September, A. D. 1884.

JAMES G. MAGUIRE, *Judge.*"

(Endorsed:) Filed Sept. 12, 1884. William T. Sesnon, clerk, by A. J. Raisch, deputy clerk.

Up to the making and entering of this last decree there was no motion for a new trial, and there was no evidence before the court upon the making of the said decree, except the depositions reported by Commissioner Mott.

83 To the making and entering of this last decree the plaintiff excepted for the following reasons:

1st. This decree in effect sets aside the decree of November 22nd, 1877, without a motion for a new trial and without the court having before it the evidence upon which that decree was based.

2nd. This decree ignores the assignment made to Thompson on January 31st, 1878, under the decree of November 22nd, 1877, though the said assignment remains in full force.

3rd. This decree provides for an assignment to Thompson of that which was assigned to him January 31st, 1878, and imposes a condition precedent which the contract in question does not authorize.

4th. This decree directs the assignment of an interest under letters patent that have expired by the effluxion of time.

5th. The depositions reported by Commissioner Mott and which are set forth in the said printed transcript were the only testimony before the court, and they do not show that Thompson was indebted to White $5,000.00 or any other sum, but do show that White was and is indebted to Thompson.

Within the time allowed by the court the plaintiff presented this his bill of exceptions and prayed that the same might be signed, certified, and made a part of the record, which is accordingly done.

Dated this 8th day of November, 1884.

84 I, James G. Maguire, judge of the superior court of the city and county of San Francisco, State of California, department 4, hereby certify that the foregoing bill of exceptions in the above-entitled action of James M. Thompson *vs.* George W. White has been settled and allowed by me, and that the same is correct.

Dated this 8th day of November, 1884.

JAMES G. MAGUIRE, *Judge.*

The above bill of exceptions is agreed to be correct.

D. L. SMOOT,
Att'y for Thompson.
M. A. WHEATON,
Att'y for Defendant.

(Endorsed:) Filed November 8th, 1884. William T. Sesnon, clerk, by A. J. Raisch, deputy clerk.

(Endorsed:) Exhibit "M N," being copy of bill of exceptions signed by Judge Maguire and referred to in stipulation between counsel. M. A. Wheaton, sol. for White; D. L. Smoot, sol. for Rankin *et al.*

85 EXHIBIT "O P."

In the Superior Court, City and County of San Francisco, State of California.

JAMES M. THOMPSON, Plaintiff,
vs.
GEORGE W. WHITE, Defendant.

Commissioner's Report.

To the superior court:

The undersigned, to whom this action was referred to take testimony and report findings of fact thereon by virtue of an order made by the Hon. E. D. Wheeler, judge of the nineteenth judicial district court of the State of California in and for the city and county of San Francisco, said order (a copy of which is hereto attached) being contained in the interlocutory decree rendered in said action on the 22nd day of November, A. D. 1877, respectfully reports:

I have been attended by plaintiff and his counsel, D. L. Smoot, Esq., and by defendant and his counsel, M. A. Wheaton, Esq., and two witnesses, J. F. Starratt and Geo. O. Kilbourne.

I further report that the plaintiff and defendant were duly sworn and examined each as a witness in his own behalf, and that
86 said witnesses, Kilbourne and Starratt, were examined on behalf of defendant; that said examination was conducted in the form of direct and cross-examination and by written questions and answers, and that the testimony of each witness, when completed, was carefully read and corrected by him and by him subscribed in my presence; that D. L. Smoot, Esq., conducted the examination on behalf of plaintiff and M. A. Wheaton, Esq., on behalf of defendant; that said examination took place at my office, in said city and county of San Francisco, at various times fixed by the counsel for plaintiff and defendant, subsequent to the making of said order and decree and prior to January 1st, 1880. Said depositions are hereunto annexed and made a part of this report.

From the testimony of said witnesses and from the evidence adduced I find the following facts, to wit:

I.

That defendant, George W. White, obtained, by assignment dated September 6th, 1876, from a party in New York, named H. H. Duncklee, for a consideration of three thousand dollars, U. S. gold coin, the ¼ interest in the patents mentioned in the decree. The assignment aforesaid came into the possession of White on or about the 16th day of September, 1876.

II.

That since the 13th day of June, A. D. 1876, the respective incomes of plaintiff and defendant from said patent rights have been as follows:

The said White has received as income from said patent
87 rights the sum of $2,590.50. A further sum of $2,500, due and owing to said White prior to June 13th, 1876, from the Leopard Mining Company, but paid subsequently, is not included in the above, being earnings of the patents prior to June 13th, 1876. Out of this amount defendant paid $500 commissions.

The plaintiff, Thompson, has received as gross income from the said patents during two years from June 13th, 1876, to June 13th, 1878, the sum of $17,380, of which amount $4,000 was royalty and $1,277.94 net profits on sales of furnaces; the said $4,000, added to $1,277.94, gives the plaintiff's net profits, $5,277.94, for the two years. Since June 13th, 1878, the plaintiff's gross income from the patents has been $8,000, his net profits $978.31; making a total gross income of $25,380, and a total of $6,256.25 net profits, of which $4,000 was royalty. The sum of $23,150 is owing to the plaintiff as unpaid royalty by various parties.

III.

The said Smart note and Smart agreement mentioned in said decree yielded nothing to defendant White. Smart went into insolvency, and nothing was ever realized by defendant from said note and agreement.

IV.

On the 13th day of June, 1876, two furnaces were in process of construction and another ordered. The last was not called for, and was subsequently sold by White to the Eagle Mining Com-
88 pany at a loss to him of $235.00. A contract for the payment of royalty at the rate of 50 cents per ton, with a right to commute on payment of $2,500 in gross, was entered into, but none was ever paid to defendant on account of the interference of the plaintiff.

V.

I do not find that any profits have been lost or any damage sustained by the plaintiff, Thompson, in consequence of White's failure to make the said assignment, nor does the evidence show any compensation to have been paid to Thompson by White.

I find in evidence an assignment by said Thompson to defendant, White, of the income of his one-fourth interest in said patents for two years from June 13th, 1876, unless the sum of $4,000 has been or shall be sooner realized, the balance of the purchase price of said one-fourth interest owed White by Thompson. I do not find that said White has received the whole or any part of the said $4,000.

I find that the said Thompson, besides failing to carry out the terms of said assignment, has in various ways endeavored to damage the business of the defendant.

Respectfully submitted,

GORDON N. NOTT,
Court Commissioner of said 19th Dist. Court.

Dated Oct. 12th, 1880.

89 (Endorsed:) Filed October 25th, 1880. William A. Stouart, county clerk, by Jas. W. Elder, deputy clerk.

(Endorsed:) Exhibit "O P," being copy of commissioner's report referred to in stipulation between counsel. M. A. Wheaton, sol. for White; D. L. Smoot, sol. for Rankin *et al.*

EXHIBIT No. "1."

No. 44145.

White's Patent.

The United States of America to all to whom these letters patent shall come:

Whereas George W. White, of New York, New York, has alleged that he has invented a new and useful improved apparatus for

roasting and reducing ores (he having assigned his right, title, and interest in said invention to himself and Austin G. Day, of Seymour, Conn.), which he states has not been known or used before his application; has made oath that he is a citizen of the United States; that he does verily believe that he is the original and first inventor or discoverer of the said invention, and that the same hath not to the best of his knowledge and belief been previously
90 known or used; has paid into the Treasury of the United States the sum of thirty-five dollars, and presented a petition to the Commissioner of Patents signifying a desire of obtaining an exclusive property in the said invention and praying that a patent may be granted for that purpose:

These are, therefore, to grant according to law to the said White & Day, their heirs, administrators, or assigns, for the term of seventeen years from the twenty-third day of August, one thousand eight hundred and sixty-four, the full and exclusive right and liberty of making, constructing, using, and vending to others to be used the said invention, a description whereof is given in the words of the said George W. White in the schedule hereunto annexed and is made a part of these presents.

In testimony whereof I have caused these letters to be made patent and the seal of the Patent Office has been hereunto affixed.

[SEAL.] Given under my hand, at the city of Washington, this sixth day of September, in the year of our Lord one thousand eight hundred and sixty-four, and of the Independence of the United States of America the eighty-ninth.

W. T. OTTO,
Act'g Secretary of the Interior.
D. P. HOLLOWAY,
Commissioner of Patents.

Countersigned and sealed with the seal of the Patent Office.

91 *The Schedule Referred to in These Letters Patent and Making Part of the Same.*

To all whom it may concern:

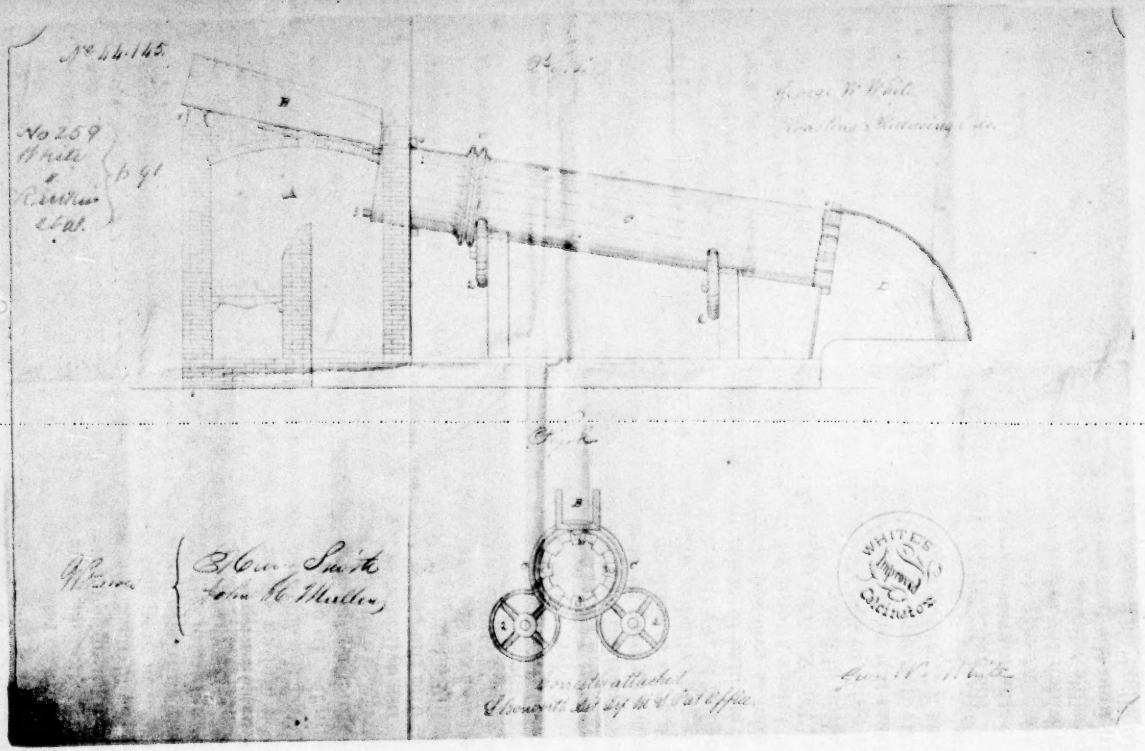
Be it known that I, George W. White, of the State, city, and county of New York, have invented an improved machine for calcining, reducing, and separating ores, and I do hereby declare that the following is a full, clear, and exact description of the same, reference being had to the accompanying drawing, which forms part of this specification, in which—

(Here follows diagram marked p. 91.)

Fig. 1 is a side elevation of the machine and part of sec-
92 tion.

Fig. 2 shows a transverse section of the cylinder.

The principal mechanical elements of my machine are a furnace and a horizontally rotating cylinder open at both ends to the atmos-


No 259
White
&
Eastman
et al.
Fig 1
Fig 2
WHITE'S
Improved
Sheaves

phere, and inclined so as to convey the ore from the receiving end of the cylinder at the furnace to the opposite or discharging end, and the object of the machine is to oxidise and desulphurise oxidable ores and to reduce and separate such as are non-oxidable. My said invention is therefore distinguished both from those which have a rotating cylinder closed to the atmosphere and conduct the ore to the furnace for the purpose of deoxidation, as in the treatment of iron ores, and from such as are designed for oxidation and for desulphurisation and have no revolving cylinder.

The nature of my invention, therefore, consists:

Firstly. In the employment of an inclined revolving cylinder, in combination with a furnace and a feeding device at one end of said cylinder and an elbow or bonnet at the opposite end, to conduct and direct the calcined ore into a suitable tank or other receptacle.

Secondly. In constructing the cylinder with longitudinal grooves in its inner periphery, substantially as hereinafter set forth.

Thirdly. In the use, in combination with the furnace and revolving cylinder, of a vibrating shoe or hopper to pass the ore
93 into the end of the cylinder.

Fourthly. In vibrating such shoe by means of suitable projections on the revolving cylinder acting upon such shoe.

To enable others to make and use my invention I will proceed to describe the same.

In the drawing annexed, A represents a suitable furnace; B is a shoe or feeder. It is situated in the upper part of the furnace and is hinged at 1 to admit of being oscillated or vibrated; it is also encased partially by the furnace to prevent the escape of the heat. This casing may be formed in the shape of an arc at the end of the feeder, so as to conform to the motions thereof.

C is the cylinder, which may be either straight or conical. It is formed of heavy iron and lined with fire-brick or any suitable material adapted to resist intense heat. The interior surface of the cylinder is grooved lengthwise. This may be done by long and short bricks alternated in longitudinal rows, as seen in the sectional view, Fig. 2. The exterior surface may be jacketed to prevent the radiation of heat.

In order to obviate the use of a shaft and journals, which would obstruct the openings at the ends of the cylinder and would be shortly destroyed by the heat, I support the cylinder by anti-friction wheels 2 2, which also form the bearings for the rotation of such cylinder. By thus throwing the bearings on the outer periphery of the cylinder the ends thereof are entirely free and open for
94 the ingress and egress of the ore.

At each end of the cylinder I provide an encircling collar, 4, in which the cylinder is free to rotate; said collars fit as snugly as possible without actual contact. The cylinder is inclined downward from the furnace, and the lower end of the cylinder is enclosed in an elbow or bonnet, D, and its object is to direct the contents of the cylinder into a suitable tank or other receptacle.

At the upper end of the cylinder are projections 3 3, which in the rotation thereof come into contact with the shoe B and move it

intermittently to feed in the ore. The location or form of said projections is not material to the invention. Power is applied to the machine by means of a wire band passing around the cylinder in the groove V thereon.

As the cylinder revolves the shoe or feeder B is shaken and the ore is fed slowly into the cylinder, and in the rotation thereof the ore, &c., gradually gravitates toward the lower end and escapes, calcined and reduced, under the bonnet D at the lower end.

I claim as my invention and desire to secure by letters patent—

Firstly. The use of an inclined rotary cylinder in combination with a furnace at the receiving end of said cylinder, and a bonnet at the discharging end thereof to conduct or direct the calcined ore into a tank or other receptacle.

Secondly. I claim grooving the inner surface of the cyl-
95 inder longitudinally for the purpose and substantially as specified.

Thirdly. The employment, in combination with the furnace and rotating cylinder, of a vibrating shoe or feeder for the purpose described.

Fourthly. Operating such feeder by means of the revolving cylinder through the agency of projections thereon, as specified, or any equivalent therefor, substantially as described.

GEORGE W. WHITE.

Witnesses:
CHARLES C. LEEDS.
THOS. A. LEDWITH.

(Endorsed:) Exhibit No. "1," L. S.

EXHIBIT No. "2."

No. 46287.

White's Patent.

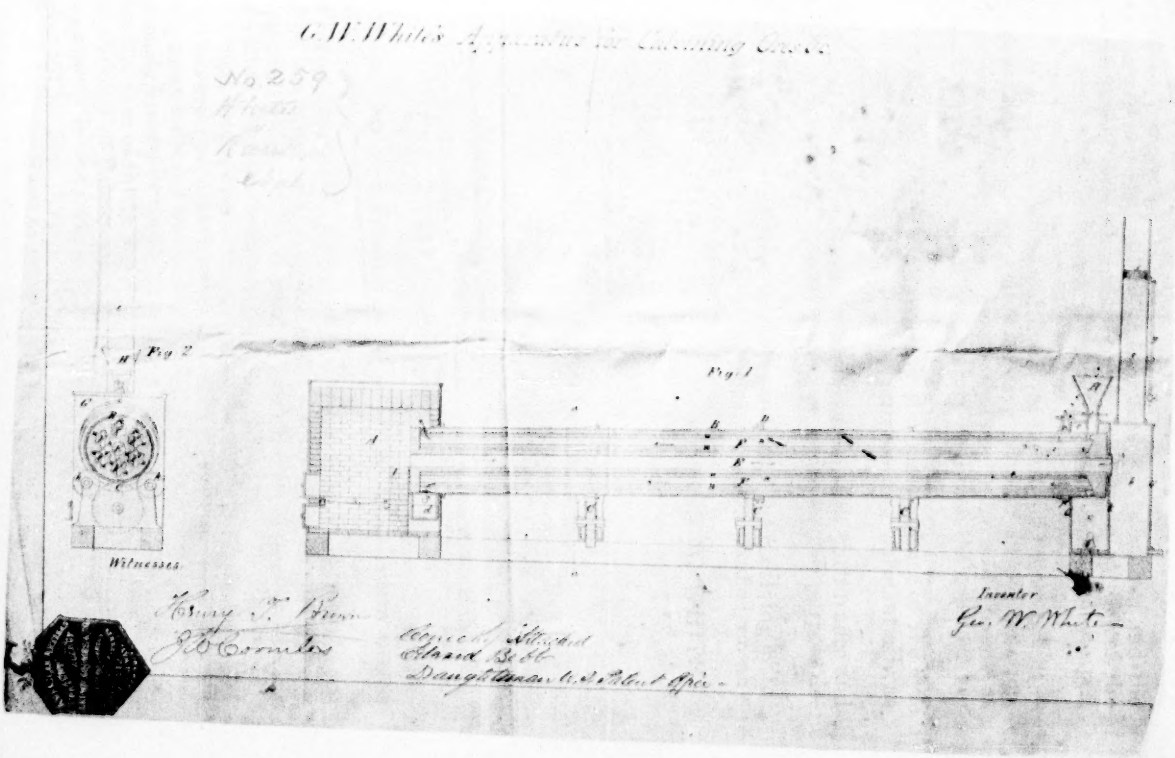
The United States of America to all to whom these letters patent small come:

Whereas George W. White, of New York, New York, has alleged that he has invented a new and useful improved apparatus for calcining ores, which he states has not been known or used before his application; has made oath that he is a citizen of the United States; that he does verily believe that he is the original and first
96 inventor or discoverer of the said invention, and that the same hath not to the best of his knowledge and belief been previously known or used; has paid into the Treasury of the United States the sum of thirty-five dollars, and presented a petition to the Commissioner of Patents signifying a desire of obtaining an exclusive property in the said invention and praying that a patent may be granted for that purpose:

These are, therefore, to grant according to law to the said George W. White, his heirs, administrators, or assigns, for the term of seven-

G. W. White's Apparatus for Cultivating Corn.

No 259
White
Corn
Cultivator



teen years from the seventh day of February, one thousand eight hundred and sixty-five, the full and exclusive right and liberty of making, constructing, using, and vending to others to be used the said invention, a description whereof is given in the words of the said George W. White in the schedule hereunto annexed and is made a part of these presents.

In testimony whereof I have caused these letters to be made patent and the seal of the Patent Office has been hereunto affixed.

Given under my hand, at the city of Washington, this seventh day of February, in the year of our Lord one thousand
[SEAL.] eight hundred and sixty-five, and of the Independence of the United States of America the eighty-ninth.

J. P. USHER,
Secretary of the Interior.
D. P. HOLLOWAY,
Commissioner of Patents.

Countersigned and sealed with the seal of the Patent Office.

97 *The Schedule Referred to in These Letters Patent and Making Part of the Same.*

To all whom it may concern:

Be it known that I, George W. White, of the city, county, and State of New York, have invented a new and improved apparatus for calcining ores and other substances, & I do hereby declare that the following is a full, clear, and exact description of the same, reference being had to the accompany drawing, which forms part of this specification, in which—

(Here follows diagram marked p. 97.)

Fig. 1 is a central, longitudinal, vertical section of the apparatus.
Fig. 2 is a transverse section at *a a*.

98 Similar letters of reference indicate corresponding parts in both figures.

The principal parts of my apparatus consist of a furnace and an inclined, rotating cylinder, in which the ore or other substance to be calcined is subjected to the action of heat from the furnace. The principal points in which it differs from other apparatus consisting of such a furnace and cylinder are—

1st. In having separate flues or passages for the gases of combustion generated in the furnace and for the ore or substance to be calcined, so that the said substance is not exposed to contact with the gases of combustion.

2nd. In having the furnace located at the opposite end of the cylinder to that at which the ore enters, so that the ore or other substance to be calcined may be subjected to a gradually increasing temperature as the calcining progresses.

3rd. In having the calcining flues or passages so combined with the furnace that the gases eliminated from the ore in the calcining

process may enter into combustion in the furnace and thereby effect a saving of fuel. There are also some minor points of difference, which will be hereinafter explained.

A is a furnace of ordinary build, lined with fire-brick, and into which projects one end of the cylinder B. This cylinder is supported on rollers C C C and kept in position by guide-rollers *h h* (Fig. 2).

The several rollers are arranged to incline the cylinder downwards towards the furnace. Rotary motion is conveyed to the cylinder by means of a chain working in the grooved pulley D upon its exterior. The inside of the cylinder B is formed of fire-brick into several flues or passages—one, E, in the centre, which I call the combustion flue or passage, for the passage of the products of combustion from the furnace to the smoke-stack *e*, and others, F F, arranged at equal distances apart around E, for calcining the ore. Each of the calcining passages F F has grooves running longitudinally through their entire length, as in the drawing, or provided with cavities *n n* or projections, for the purposes hereinafter specified.

These calcining passages terminate at both ends on the circumference of the cylinder, as shown at *m* and *r* in Fig. 1. The upper end of the cylinder projects into a chamber, G, having a vertical division, *k*, through the centre, making one compartment, *b*, which communicates with the flue E for the exit of the products of combustion from the said flue to the smoke-stack *e*, and one compartment, *c*, through the upper part of which the ore is fed through the openings *r* into the calcining passages F F as the cylinder rotates. At the bottom of the compartment *c* is an opening, *i*, by which the ore that may be spilt can be removed. H is a hopper, with a feed device, *l*, attached, worked by cams *p*, placed at proper distances apart on the outside of the cylinder B for the purpose of feeding a specific quantity of ore into the calcining passages at each rotation of the cylinder. At the back end of the furnace A, and directly under the delivery ends *m* of the calcining passages, is placed the trough *d*, arranged at an inclination and having a stream of water flow into it at the upper end, so as to wash down the ore as it is discharged. This trough projects through the side of the furnace, behind the bridge-wall I, and conveys the ore to any desired spot.

Near the top of the smoke-stack *e* is placed a coil of pipe, *f*, having a number of small holes pierced through the inside diameter, to which is connected the water pipe *g*. The water supplied through the pipe *g* has sufficient head to be forced through the coil horizontally in every direction, which prevents the escape of fine particles of ore and washes them down into the compartment *b*, where they are drawn off through the opening *j*. The action of this apparatus is as follows:

A fire is built in the furnace A, and the cylinder B is heated up by the flames and gaseous products of combustion passing through the central flue E to a sufficient temperature, which is many degrees higher at the furnace end than at the other end, where the ore is

received. The red arrows indicate the direction of the flame. The cylinder is rotated about twenty revolutions per minute. The ore, in a pulverized or crushed condition, is put into the hopper H, and at each revolution of the cylinder the feed device *l* permits a small quantity of ore to enter each one of the different calcining passages, the said device being opened, while the openings *r* are out of communication with the throat of the hopper, so that the gases are not permitted to escape from the said passages to the atmosphere. The calcining passages being grooved, or otherwise having their surface constructed in an equivalent manner, and inclined, the ore is lifted up and dropped forward a little at every revolution of the cylinder, thus gradually working its way towards the delivery end of the passages, as indicated by
101 the black arrows; the sulphurous and other gases eliminated from it by heat pass out of the delivery or opening *m* of the said passages as they by the rotation of the cylinder severally communicate with the upper part of the furnace, as indicated by the red arrows, and the said gases, undergoing combustion in the furnace, help to generate heat, thereby saving fuel. By feeding the ore into the calcining passages in specific quantities at the cooler ends of the passages F F, furthest from the furnace, the ore is submitted at first to a comparatively low temperature and gradually introduced to a higher one, while at the same time it is kept in constant motion in being lifted and showered through the heat, which is free from the products of combustion, and each atom thereby has its surface exposed to the action of the heat. The ore is thus entirely freed from sulphur, while slagging and other unfavorable effects are avoided.

What I claim as my invention and desire to secure by letters patent is:

1st. The combination, in the rotating cylinder, of separate combustion and calcining flues or passages, substantially as and for the purpose herein specified.

2nd. The furnace, located at the opposite end of the rotating cylinder to that at which the ore or other substance to be calcined enters, substantially as and for the purpose herein set forth.

102 3rd. So combining the calcining flues or passages of the rotating cylinder with the furnace that the gases eliminated from the ore or other substance in the said passages may enter into combustion in the furnace, substantially as and for the purpose specified.

4th. In a rotating cylinder with separate combustion and calcining flues or passages, combined with a furnace as described, I claim constructing the inner surface of the separate calcining passages with grooves, cavities, or projections, substantially as and for the purpose herein specified.

5th. The coiled perforated water pipe *f*, placed in the smoke-stack

or vertical flue, in combination with the rotating cylinder, substantially as and for the purpose herein specified.

GEO. W. WHITE.

Witnesses:
HENRY T. BROWN.
I. W. COOMBS.

(Endorsed:) Exhibit No. "2," L. S.

103 *Order Allowing Appeal.*

At a stated term, to wit, the November term, A. D. 1887, of the circuit court of the United States of America of the ninth judicial circuit in and for the northern district of California, held at the court-room, in the city and county of San Francisco, on Wednesday, the twenty-first day of December, in the year of our Lord one thousand eight hundred and eighty-seven.

Present: The Honorable Lorenzo Sawyer, circuit judge.

GEORGE W. WHITE
vs.
IRA P. RANKIN *et al.* } No. 1902.

On motion of M. A. Wheaton, Esq., solicitor for complainant herein, it is ordered that an appeal be, and the same hereby is, allowed to the Supreme Court of the United States from the final decree made and entered herein on the 10th day of October, A. D. 1887, and that a certified transcript of the pleadings, stipulations, and proceedings be forthwith transmitted to the Supreme Court of the United States.

104 *Bond on Appeal.*

In the Supreme Court of the United States.

GEORGE W. WHITE, Appellant,
vs.
IRA P. RANKIN, A. P. BRAYTON, JOHN HOWELL, and JAMES M. THOMPSON, Appellees.

Know all men by these presents that we, Abner Doble and J. S. Emery, are held and firmly bound unto Ira P. Rankin, A. P. Brayton, John Howell, and James M. Thompson, the above-named appellees, in the sum of five hundred dollars, lawful money of the United States of America, to be paid to the said Ira P. Rankin, A. P. Brayton, John Howell, and James M. Thompson, their executors or administrators; to which payment, well and truly to be made, we bind ourselves and each of us, jointly and severally, and our and each of our heirs, executors, and administrators, firmly by these presents.

Dated this 22nd day of September, 1888.

The condition of this obligation is such that whereas said George W. White, appellant, has taken an appeal to the Supreme

Court of the United States to reverse the decree filed and entered by the circuit court of the United States of America of the ninth judicial circuit, northern district of California, in the suit entitled George W. White, complainant, *vs.* Ira P. Rankin, A. P.
105 Brayton, John Howell, and James M. Thompson, respondents, No. 1902, which said decree was filed and entered in said circuit court on the 10 day of October, 1887:

Now, therefore, if the above-named George W. White shall prosecute his said appeal to effect and answer all costs if he shall fail to make good his plea, then this obligation shall be void; otherwise to remain in full force and effect.

ABNER DOBLE.
J. S. EMERY.

Signed, sealed, and delivered in presence of—
F. D. MONCKTON.

UNITED STATES OF AMERICA, *Northern District of California*, } ss:

Abner Doble and J. S. Emery, being duly sworn, each for himself says that he is a householder within said district, and that he is worth the sum of five hundred dallars, exclusive of property exempt from execution and over and above all just debts and liabilities.

ABNER DOBLE.
J. S. EMERY.

Subscribed and sworn to before me this 22d day of September, 1888.

F. D. MONCKTON,
Commissioner U. S. Circuit Court,
Northern District of California.

(Endorsed:) The form of the within bond and the sufficiency of the sureties thereon are hereby approved. Sawyer, circuit judge. Filed Sept. 22d, 1888. L. S. B. Sawyer, clerk.

106 In the Circuit Court of the United States in and for the Northern District of California.

GEORGE W. WHITE, Complainant and Appellant,
vs.
IRA P. RANKIN *et al.*, Defendants and Appellees. } No. 1902.

I, L. S. B. Sawyer, clerk of the circuit court of the United States for the northern district of California, do hereby certify the foregoing one hundred and five typewritten pages, including the photographic copies of the drawings of the patents, numbered from 1 to 105, inclusive, to be a full, true, and correct copy of the record and all proceedings in the above and therein entitled cause, and that the same together constitute the transcript on appeal to the Supreme Court of the United States in said cause.

Attest my hand and the seal of said circuit court this 4th day of October, A. D. 1888.

[Seal U. S. Circuit Court, Northern Dist. Cal.]

L. S. B. SAWYER, *Clerk*,
By —— ——, *Deputy Clerk.*

107 UNITED STATES OF AMERICA, *ss:*

To Ira P. Rankin, A. P. Brayton, John Howell, and James M. Thompson, Greeting:

You are hereby cited and admonished to be and appear at the Supreme Court of the United States, to be held at the city of Washington, in the District of Columbia, on the eighth day of October, A. D. 1888, pursuant to an order allowing an appeal from the final decree of the circuit court of the United States in and for the northern district of California, entered in an action wherein George W. White is appellant and you are appellees, to show cause, if any there be, why the said decree in the said order mentioned should not be corrected and speedy justice should not be done to the parties in that behalf.

Witness the Honorable Lorenzo Sawyer, judge of the circuit court of the United States for the ninth judicial circuit, this 22nd day of September, A. D. 1888, and of the Independence of the United States the one hundred and thirteenth.

SAWYER, *Judge.*

108 [Endorsed:] In the Supreme Court of the United States. George W. White, appellant, *vs.* Ira P. Rankin *et al.*, appellees. Citation. Filed September 24, 1888. L. S. B. Sawyer, clerk U. S. circuit court, northern district of California.

Due service of the within citation and receipt of a copy acknowledged this 24th day of September, A. D. 1888.

D. L. SMOOT,
Solicitor for Defendants and Appellees.

Endorsed on cover: N. California C. C. U. S. No. 259. George H. White, administrator of George W. White, deceased, appellant, *vs.* Ira P. Rankin, A. P. Brayton, John Howell, and James M. Thompson. Filed October 16, 1888.

DEC 18 1891
JAMES H. McKENNEY,
CLERK

In the Supreme Court

OF THE

UNITED STATES,

No. 259.

OCTOBER TERM, 1891.

GEORGE H. WHITE, Administrator
GEORGE W. WHITE, deceased,

Appellant.

VS.

IRA P. RANKIN, A. P. BRAYTON, JO
HOWELL and JAMES M. THOMPSON,

Appellees.

APPELLANT'S BRIEF.

M. A. WHEATON,

Counsel for Appellant.

SUPREME COURT

OF THE

UNITED STATES.

No. 259.

OCTOBER TERM, 1891.

GEORGE H. WHITE, Administrator of GEORGE W. WHITE, deceased,

Appellant,

vs.

IRA P. RANKIN, A. P. BRAYTON, JOHN HOWELL AND JAMES M. THOMPSON,

Appellees.

APPELLANT'S BRIEF.

This is in an action that was commenced by bill in equity for alleged infringements of two U. S. Letters Patents for inventions in revolving ore roasting furnaces. The bill is in the usual form and charges the defendants with having infringed the patents and asks for the usual relief in such cases. Process was issued and duly served upon the defendants. A demurrer was filed to the bill

and was sustained; the complainant was given ten days to amend, and the complainant filed amendments to his bill within the ten days allowed. The defendants then filed a plea to the amended bill setting up in substance that the complainant White had contracted to assign a fourth interest in the patents to James M. Thompson one of the defendants; that Thompson had brought a suit in the State Court to compel a specific performance thereof; that an interlocutory decree had been entered in his favor by the State Court, and that under the interlocutory decree a commissioner, appointed by the Court, had made a conveyance of the fourth interest to said Thompson. That the case afterwards came before another Judge in the State Court upon a motion made by the complainant in this case, but defendant in that case, George W. White, for a final decree, and the Court set the interlocutory decree and all proceedings had thereunder, including the commissioner's assignment, aside, and the plaintiff Thompson appealed from the decision to the State Supreme Court.

The complainant White duly filed a replication to the defendant's plea in the U. S. Circuit Court. Afterwards the defendants filed a supplemental plea, setting up that the State Supreme Court had sustained his appeal, and had reversed the orders of the lower State Court, and had remanded that

case for further proceedings in accordance with the opinion of the State Supreme Court.

The U. S. Circuit Court overruled the supplemental plea of defendants, and gave them leave to file an amended plea. Defendants filed their amended plea, setting up in substance that the defendant Thompson was the owner of one-fourth of the inventions and patent rights mentioned in the bill of complaint, and that all patented furnaces made, used and sold by the defendants were made, used, and sold under Thompson's right and by virtue of his authority.

The complainant filed his replication to the amended plea, and the plea was overruled by the Circuit Court, and the defendants were assigned to answer the bill of complaint herein.

The original bill and the various pleadings and orders so far mentioned are in the printed transcript of the record in this Supreme Court at the following folios, viz:

The original bill commences at folio 1. The process and service thereof is shown at folios 8, 9 and 10. The demurrer to the bill is at Folios 10 and 11. Order sustaining the demurrer and allowing ten days for amending the bill, commences in folio 12, and ends in folio 13. The amendments to the bill commence in folio 13 and

ends in folio 14. The first plea to the bill commences in folio 14, and ends in folio 28. The replication to the first plea begins in folio 28, and ends in folio 29. The supplement to the plea is at folio 30. The order overruling the plea and granting leave to file an amended plea is at folio 31. The amended plea commences at folio 32. The replication to the last plea commences at folio 34. The order overruling the last plea and assigning the defendants to answer, is at folio 35.

The defendants filed their answer to the bill, denying that the complainant was the exclusive owner of the patents mentioned in the bill of complaint, and denying that they had without right manufactured the patented furnaces, and denying the infringement. The answer also set up that the defendant, James M. Thompson, had been the owner of one-fourth of the patented inventions, and that each and every furnace manufactured, used and sold by the defendants that involved the said inventions, was manufactured, used and sold under the authority and license of the said James M. Thompson. The answer is in the printed record at folios 36 and 37.

The complainant filed his replication to the answer. It is at folio 38 of the printed record.

The parties stipulated the facts of the case, and

those stipulated facts are in the printed record, commencing in folio 44, and ending with folio 102.

The Circuit Court did not decide the case upon the facts, but decided that it had no jurisdiction to try the case, and dismissed the case upon the sole ground that the Court had no jurisdiction to try it. The decree is in folio 41 of the printed record.

The patents sued upon were granted to the complainant, George W. White, by the U. S. Government. They are in the record from folio 89 to folio 102.

The appellant assigns as errors the following, viz:

First. The Court erred in deciding that it had no jurisdiction of the case and in dismissing the bill upon that ground.

Second. The Court erred in not making a decree in the complainants' favor. This second assignment is made in excess of caution. We do not expect that this Court will decide upon it, as it covers grounds that were not decided by the lower court.

Argument.

Upon the first point made we refer the Court to the final decree entered, which is on page 23 of the printed record. It is as follows:

"This cause having come on to be heard at the "last term of this court, and having been argued "by counsel and submitted to the court for con- "sideration and decision, and the court, after due "deliberation, having ordered that the bill of com- "plaint herein be DISMISSED FOR WANT OF JURIS- "DICTION;

"Thereupon, upon consideration thereof, it is or- "dered, adjudged and decreed that the said com- "plainants' bill of complaint herein be, and the "same hereby is, DISMISSED FOR WANT OF JURIS- "DICTION."

It looks to the appellants as though the mere statement of the case is all the argument that it is necessary for us to make. The action is an ordinary suit for the infringement of a patent. The filing of the bill gave the court jurisdiction of the subject matter and of the complainant. The issuance and service of the proper process and the appearance and pleading of the defendants gave the Court jurisdiction of the defendants. The action being for the infringement of a patent, the subject matter of the action gave the Court exclusive jurisdiction of the action. No other court could entertain the suit or try any issues that might arise in it. The only issues that could arise in the action were as to the existence and validity of the patents sued upon; the ownership thereof by the

complainant; the infringement thereof by the defendants; and the amount of damages caused by such infringement. These were the issues and the only issues tendered by the bill of complaint, and no other issues could be made in the trial of the cause. We surely need not cite authorities to prove that the Circuit Court which dismissed the suit for want of jurisdiction, had jurisdiction to try the issues tendered by the bill, and every issue that could be made under the allegations of the bill.

We do not know what argument will be offered to sustain the action of the lower court in dismissing the bill for want of jurisdiction. We will make the best guess we can from what transpired in the court below and meet the only authority that, so far as we know, has been claimed to justify the decision.

The case of *Hartell* vs. *Tilghman*, 99 U. S., 547, was urged in the court below as an authority that would justify the action of the court in deciding that it had no jurisdiction of the case after the answer was filed by the defendants in which they set up an alleged contract and claimed that that contract concluded the rights of the complainant under the patents sued upon.

In the case of *Hartell* vs. *Tilghman* the action was brought by a bill which set up a verbal contract that gave the defendants a license to use the

invention, which was a process for cutting and engraving hard substances, known as the sand blast process. Under the contract the defendants had purchased from the complainant machines to the amount of six hundred and forty-nine dollars. Complainant had furnished a schedule of royalties that the defendants were to pay, and the defendants had made monthly returns and paid the royalties, and were still willing to continue to pay them. While affairs were thus going along the complainant tendered to defendants two blank forms of license containing minor conditions to which the defendants would not agree. The complainant thereupon forbade the defendants to use the process. Defendants continued to use the process and the complainant brought his bill in chancery, setting up the license and his forbidding of its further use and asking for an injunction and accounting and damages.

The defendants admitted the validity of the contract and their use of the invention, and claimed the right under the contract to such use.

This Court, decided that the contract was in force, but that the rights of the parties under the contract must be adjudicated in the State courts. On page 556 this Court, in its opinion, says:

"Here, where he has sold and received a con-
"siderable sum for a machine of no use for any

"other purpose; where the defendants have spent "several thousand dollars on other machinery, "which is also valueless except in connection with "the use of this process; where defendants have "paid and plaintiff received for many months the "royalty which plaintiff established, and are still "ready and willing to continue payment; and "where the contract being in parol the parties dif- "fer about one or two of its minor terms, we do "not agree that either party can of his own voli- "tion declare the contract rescinded, and proceed "precisely as if nothing had been done under it. "If it is to be rescinded, it can be done only by a "mutual agreement, or by the decree of a court of "justice. If either party disregards it, it can be "specifically enforced against him, or damages can "be recovered for its violation. But until so re- "scinded or set aside, it is a subsisting agreement, "which, whatever it is, or may be shown to be, "must govern the rights of these parties in the use "of complainant's process, and must be the foun- "dation of any relief given by a court of equity."

The Court then decides that such a case is not cognizable in the U.S. Court where the parties are citizens of the same State.

The difference between the decision of this court in the above case and the decision of the Circuit Court in the case at bar is very obvious. In the

case of *Hartell* vs. *Tilghman*, the Court *did not dismiss the bill for want of jurisdiction. On the contrary it exercised jurisdiction and tried the case so far as the issue of infringement was concerned.* Its opinion recites the testimony and the Court decides in substance that the defendants had a license from the plaintiff to use the patented process. That ended the case, since it was a decision to the effect that the defendants had not infringed the patent. It seems to us that the case is an authority for holding that where the suit is for an infringement of a patent and the defense is that the defendant used the patented invention under a license from the plaintiff, that the Court should try the issue as to whether there was such a license or not, and that the Court has no right to hold that the mere setting up of a license contract as a defense at once, and of its own force, ousts the jurisdiction of the Court, and renders it impossible for the Court to decide whether any such contract as is thus set up ever existed or not.

In the case at bar the Circuit Court held that the mere setting up of the contract at once ousted the jurisdiction of the Court and that it could not go on, even after the filing of our replication, and decide whether the contract was ever made or not, nor whether if made it constituted any defense to the suit or not. The stipulated facts in the record

shows that the contract was only an offer to convey a fourth interest in the patent for certain considerations which were never paid, and that after a long tedious litigation in the State Courts Thompson did not obtain the conveyance for the reason that he would not pay the price necessary to entitle him to the conveyance. He brought his suit for a specific performance of the contact. The final decree was that Thompson should pay White some five thousand dollars within ninety days from the date thereof, which was September 11th, 1884, and that "if the said James M. Thompson fail to make the "payment of five thousand ($5,000) dollars within "ninety (90) days from this date, then and in such "case he shall not be entitled to said conveyance, "and this action and all proceedings herein shall "stand dismissed and vacated."

Printed record, folios 81 and 82. This was an amendment of a decree entered August 26th, 1884. Printed record, folio 80.

The stipulated facts show that nothing was ever paid under this decree. Printed record, last six lines in folio 46.

If the Circuit Court in the case at bar had decided that the contract set up in the complaint existed, and that it was a license to the defendants to manufacture, use and sell the patented furnaces, then it would have been similar to the decision in

Hartell vs. *Tilghman*, excepting that, as we think, there would have been no justification in holding that the contract operated as such a license. But when instead of so deciding the Circuit Court held that the mere setting up of the contract in the answer ousted the jurisdiction of the Court, and that it had no power to make any adjudication whatever, not even the power to decide whether such a contract was ever made or not, we fail to see any authority for such ruling in the case of *Hartell* vs. *Tilghman*.

The question has been raised in other Circuit Courts and decided as appellant now claims it should be decided in this case. In *Hammacher* vs. *Wilson*, 26 Fed. Rep., 239, the defendant plead a license, and the very question at issue was as to whether there was an existing license or not. The Court held that the question must be decided. It was decided and the Court held that there was no existing license although there formerly had been one. The decree was for the complainant, holding that the defendant had no license, and that he had infringed. This case forms a vivid illustration of the necessity of the rule which requires the Court to decide whether there is a license or not when one is plead by the defendant. If the Court in that case had concluded that its jurisdiction was ousted by merely pleading a license and that it could not decide whether there was a license or not, the com-

plainants would have been left without any remedy whatever, since the sequel showed there was no license in fact, and therefore the complainants had no contract upon which they could go into a State Court and recover what belonged to them. They had nothing but their patent, and their only remedy was to protect that. In fact in all cases, if the mere setting up of a contract of license by a defendant ousts the jurisdiction of the Court in suits brought for the infringement of a patent and prevents the Court from even deciding whether such a contract exists or not, then every infringement suit may be defeated by the defendants resorting to the trick of setting up a license, when none exists, and thereby throwing the case out of Court and leaving the complainant without any remedy whatever.

In the case of *Hammacher* vs. *Wilson*, above cited, the Court cited in its opinion the following decisions bearing upon the point: *Cohn* vs. *National Rubber Co.*, 15 O. G., 829; *Kelly* vs. *Porter*, 17 Fed. Rep., 519. *White* vs. *Lee*, 3 Fed. Rep., 222; 4 Fed. Rep., 916, and 14 Fed. Rep., 789.

Kohn vs. *National Rubber Co.* is also reported in 3 *Banning* vs. *Arden's*, patent cases, 568. It was decided by Mr. Justice Clifford. In that case it was decided that there was no existing license, although one was set up by the defendants, and the decree was for the complainant.

See also *Seibert Cylinder Oil Cup Co.* vs. *Manning*, 32 Fed. Rep., 625. We do not think that a single case can be found of any Court that will sustain the decision of the lower Court in this case in dismissing the bill for want of jurisdiction. Of course we do not contend that the Court should have passed upon the contract set up by the defendant any further than to decide the one question as to whether it was a license to the defendants authorizing them to manufacture and sell the patented furnaces or not. If it was such a license then the Court should have dismissed the bill upon the ground that there was no infringement of the patent. If it was not such a license then no further notice should have been taken of it and the case should have been decided upon its merits as shown by the stipulated facts.

We have made the second assignment of error without expecting that it will be noticed by this Court, for the reason that the court, being an appellate court, will not pass upon questions that were not passed upon in the Court below. It seems to us that to pass for the first time upon the stipulated facts and decide their effect, and what judgment should be entered thereon, is the exercise of original jurisdiction and not that of appellate jurisdiction. If we are right in this idea, the remainder of this brief need not be noticed. In excess of

caution, however, and realizing the possibility that the Court may decide that as it has the case before it, it will pass upon the whole case, we will proceed to explain very briefly why we think we are entitled to a decree in the complainant's favor in the lower court upon the facts as stipulated.

Neither under the pleadings nor under the facts is any question raised as to the validity of the patents. They are confessedly valid.

Very briefly the stipulated facts may be summarized as follows, viz:

The defendants made and sold more than four of the patented furnaces between June 13th, 1876, and November 22nd, 1877. Record, beginning in folio 44.

February 13th, 1875, Thompson and White entered into a contract of which "A B" in the record, from folio 47 to folio 52, is a copy. The substance of the contract, so far as it affects the case, is that White gave Thompson the option of purchasing one-fourth interest in the patents upon paying one thousand dollars and turning over to White the income of the one-fourth interest conveyed to Thompson for the term of two years, or until such income had sooner amounted to the sum of four thousand dollars. The option continued for thirteen months, which time expired on June 13th, 1876.

At folio 49, the following clause is in the contract:

"It being understood and agreed that all or part of the before mentioned interests shall not be conveyed to any other party or parties for speculative purposes, and that no other partner or partners shall be introduced into the interests held by either party hereto without the consent of both parties."

The contract also gave Thompson the right to two furnaces absolutely. There are many other matters of details and subjects in the contract which have never affected the rights of the parties as to any issue in this suit, and they need not be referred to.

The contract was executed Feb. 13th, 1875. August 31st, 1876, Thompson commenced a suit in the State court to compel a specific performance of the contract, alleging that he had accepted the option and performed all that he was required to perform to entitle him to a conveyance of one-fourth of the patents. White appeared and answered and denied the material allegations of the complaint. The complaint is Exhibit "C D" in the record, from folio 53 to folio 60. The answer is Exhibit "E F" of the record from folio 60 to folio 66.

Nov. 22nd, 1877, the State court entered an interlocutory decree in Thompson's favor. The de-

cree is Exhibit "G H" of the record from folio 66 to folio 71. It in terms orders White to convey, and provides that if he neglects to do so for five days that Thomas H. Reynolds should be a commissioner and do it for him. While the decree appoints Reynolds a commissioner to receive the purchase price from Thompson it does not compel Thompson to pay it, nor does it even make the payment of such purchase price a condition precedent to the execution of the conveyance.

Reynolds executed the conveyance January 31st, 1878. It is Exhibit "I J" of the record from folio 71 to folio 75.

Under the interlocutory decree the case was referred to Hon. Gordon N. Mott to ascertain and report how the dealings with the furnaces had resulted to the parties. See the decree at folio 70 of the record.

The report of Mott was filed October 25th, 1880. It is Exhibit "O P" of the record from folio 85 to folio 88. From this report it appeared that Thompson had received from the patents four thousand dollars during the two years that the income to be conveyed was to belong to White as a part of the price of the quarter interest to be sold to Thompson, unless it had sooner paid the four thousand dollars. See record, folio 87. This four thousand dollars Thompson always refused to pay over to

White, as he was bound to do under the contract, as that was the only consideration for the conveyance of the fourth interest to him outside of the one thousand dollars loaned to White, and for which loan Thompson held White's note drawing interest at the rate of one and one-half per cent. per month, besides receiving $125 per quarter that White paid Thompson out of the income from the patents, and also besides receiving the royalties on two furnaces which Thompson was allowed to build. See the contract at folios 49 and 50.

March 21st, 1881, after the report of Mott had been filed, the defendant White moved the State Court for a final decree in the case, and the Court decided that there has been a mistrial and set aside the former interlocutory decree, and the conveyance of said Thomas H. Reynolds, and all proceedings subsequent to the answer, and ordered a retrial of the cause. This order is Exhibit "K L" of the record from Folio 76 to Folio 78.

This order was afterwards reversed upon a question of practice which did not affect the merits of the case by the Supreme Court of California as shown in 63 Cal., 505.

Exhibit "M N" is from folio 78 to folio 82 of the record. It shows that after the remittitur from the State Supreme Court was filed the case was reargued and submitted for the decision of the lower

State Court, and that on the 26th day of August, 1884, the Court entered a final decree which it amended September 11th, 1884.

In this final decree it was adjudged that Thompson pay to White within ninety days from the date of the decree the sum of $5,000, and that thereupon White should assign to Thompson an undivided one-fourth part of the two patents, the assignment to be so drawn as to take effect by its terms on the thirteenth day of June, 1876. It was also adjudged that if the said Thompson should fail to pay White the said sum of $5,000, within the said ninety days then and in such case he should not be entitled to said conveyance, "and this action and all "proceedings herein shall stand dismissed and "vacated."

It is stipulated in the last ten lines of folio 46 of the record that nothing was paid by Thompson to White under the said final decree, and of course the final adjudication in the case is that Thompson was not entitled to any conveyance of any interest in the patents and his suit to obtain the same, and all proceedings therein stood "dismissed and vacated."

It is true that according to the litigation in the State Courts the only reason why Thompson was not entitled to a conveyance of the one-fourth interest in the patents was because he would not pay

the price for them which he was bound to pay as a condition of the conveyance. But the fulfillment of that condition was the very basis of his right. The option was with him. He endeavored to compel a conveyance without paying the price; the State Court told him that he could have the conveyance only by paying the price; he declined to pay that price and rather than do it went out of Court without any conveyance.

If Thompson ever had any right under the contract it is certain that none of the other defendants had any such right, for they were prohibited by the very terms of the contract itself. As before remarked, the clause in the contract at the middle of folio 49, of the record, that, "it being understood "and agreed that all or part of the before men- "tioned interests shall not be conveyed to any "other party or parties for speculative purposes, "and that no other partner or partners shall be in- "troduced into the interests held by either party "hereto without the consent of both parties," excludes them from the contract.

We call attention to the particular period within which the infringing furnaces were made by the defendants. It was between the thirteenth day of June, 1876, the date at which Thompson's option or right of purchase expired, and the twenty-second day of November, 1877, the day on which

the interlocutory decree was entered in the State Court, and long before the deed of Thomas H. Reynolds was executed. Of course the temporary advantage of the interlocutory decree and deed of Thomas H. Reynolds, both of which were set aside and vacated by the subsequent orders or final decree in the case, could not retroact so as to give the defendants any rights to make and sell the furnaces during the time that they were making and selling them, and which time was before either the interlocutory decree was entered, or the deed of Thomas H. Reynolds was executed or authorized to be executed.

We submit that the defendants stand as naked infringers and the Circuit Court should have entered an interlocutory decree in the usual form in the complainant White's favor, and referred the case to the Master for an accounting, etc.

Respectfully submitted.

M. A. WHEATON,
Counsel for Appellant.

Office Supreme Court U.S.
FILED.
MAR 19 1892
JAMES H. McKENNEY.
Clerk.

Supreme Court of the United States.

OCTOBER TERM, 1891.

No. 259.

GEORGE H. WHITE, ADMINISTRATOR OF GEORGE M. WHITE, DECEASED, APPELLANT,

vs.

IRA P. RANKIN AND OTHERS, APPELLEES.

BRIEF FOR APPELLEES.

FRANCIS J. LIPPITT,
Of Counsel for Appellees.

JUDD & DETWEILER, PRINTERS, WASHINGTON, D. C.

Supreme Court of the United States.

OCTOBER TERM, 1891.

No. 259.

GEORGE H. WHITE, ADMINISTRATOR OF GEORGE M. WHITE, DECEASED, APPELLANT,

vs.

IRA P. RANKIN AND OTHERS, APPELLEES.

Brief for Appellees.

STATEMENT.

Bill filed by appellant's intestate in United States circuit court for the district of California April 19, 1878, alleging (Rec., pp. 1–4)—

a. All parties to be citizens of California;

b. Plaintiff, since September 20, 1876, exclusive owner of two patents for improved apparatus for calcining ores, issued in 1864 and 1865 respectively;

c. Defendants, without license or right to do so, have made, used, and sold, and still continue to make, use, and sell, machines embracing the improvements and inventions described in the patents and intend to continue doing so—

and praying for appropriate relief and an injunction.

(It is not necessary to look into defendants' special demurrer to bill (p. 6), order sustaining it (p. 7), amendment

to bill (p. 7), defendants' plea (p. 8), and supplement to plea (p. 16), because none of these proceedings have any relevancy on this appeal.)

Answer filed May 28, 1885 (Rec., p. 20)—

a. Denying plaintiff's exclusive ownership, or their having without right made, used, or sold any furnaces covered by the patents, or having infringed on any of plaintiff's rights under the patents.

b. Alleging one of defendants, James M. Thompson, to be owner of one-fourth of the rights secured by the patents, and that every furnace made, used, and sold by them has been under the authority and license of said Thompson as owner of one-fourth thereof.

(Here is no question as to the validity or construction of the patents; the sole defense being the part ownership of Thompson, defendants' licensor.)

The cause was submitted on the bill, the answer, a stipulation as to agreed facts, and certain exhibits.

The stipulation admits the making and selling by defendants of furnaces involving the inventions described in the patents; that this was done at the instance and under direction of defendant Thompson, who claims authority for doing so under the contract and exhibits hereinafter mentioned. (Rec., p. 25.)

I will state as briefly as possible the substance of these exhibits from A B to O P, inclusive.

A B is the contract of 1875 between White and Thompson, out of which the controversy arose. (Rec., pp. 26–29.)

a. White "bonds" one-fourth interest in the two patents to Thompson for the term of sixteen months; at the expiration of which White agrees to make a full assignment to Thompson of his quarter interest on the payment of $1,000 or surrender of certain promissory notes of White's; Thompson to pay over to White all income from the one-fourth interest to accrue for two years from the date of the assignment, to an amount not exceeding $4,000.

b. Thompson agrees to loan White $617.80 as fast as he may require it for the erection of a furnace.

There are other mutual agreements depending on certain contingencies not necessary to be stated.

C D. Thompson's bill against White for specific performance of this contract in nineteenth judicial district court of California, reciting the terms of the contract, tender of moneys due under it, offer to perform all required of him by the terms of the contract, and White's refusal to make the assignment. (Rec., pp. 29–33.)

E F. White's answer admits the contract, alleging in defense Thompson's non-performance of his covenants. (Rec., pp. 33–36.)

G H. Decree of State court in favor of Thompson, ordering White to make assignment to him of the one-quarter interest, and on his failure to do so by a day fixed, assignment to be made by Thomas H. Reynolds, clerk of the court; and reference to a commissioner to take account of moneys received and damages sustained through White's failure to make the assignment. (Rec., pp. 36–38.)

I J. Assignment to Thompson by Reynolds under the decree, and certificate of its recording by acting Commissioner of Patents. (Rec., pp. 39–41.)

K L. Order of superior court (successor of nineteenth judicial district court) vacating the interlocutory decree as a nullity under the State laws. (Rec., pp. 41–42.)

(See stipulation.) From this order Thompson appealed to State supreme court, and this order of the superior court was reversed in 63 Cal., p. 505. (Rec., p. 25.)

M N. Thompson's bill of exceptions to a subsequent decree in September, 1884, after a rehearing, again directing White to make the assignment of the one-fourth interest, but coupling this with the condition of Thompson's payment to him of $5,000. (Rec., pp. 42–45.)

O P. Report (dated 1880) of commissioner appointed by

the interlocutory decree of nineteenth judicial district court of 1877. (Rec., pp. 45–47.)

Exhibits 1 and 2, White's first and second patents. (Rec., pp. 47–55.)

POINT I.

The parties being all citizens of the same State, the jurisdiction of the circuit court depended on the subject-matter of the suit; and, the controversy arising under a contract, and not under any law of Congress, the bill was properly dismissed for want of jurisdiction. (Rec., pp. 1, 20, and 25–47.)

Authorities.

10 How., 101. Wilson *vs.* Sandford.
99 U. S., 547. Hartell *vs.* Tilghman.
106 U. S., 613. Albright *vs.* Teas.
115 U. S., 257. Starin *vs.* New York.
119 U. S., 475. Germania Ins. Co. *vs.* Wisconsin.
125 U. S., 46. Dale Tile M'f'g Co. *vs.* Hyatt.
139 U. S., 293. Machine Co. *vs.* Skinner.
140 U. S., 344. Marsh *vs.* Nichols.
1 Cliff., 299. Blanchard *vs.* Sprague.
4 Blatch., 63. Goodyear *vs.* Union India Rubber Co.
1 Holmes, 323–'4. Hill *vs.* Whitcomb.
30 Fed. Rep., 387. McCarty *vs.* Glaentzer.
34 Fed. R., 435. Wren *vs.* Annie.
35 Fed. R., 2. Brooklyn Watch Case Co. *vs.* Leach.
35 Fed. R., 370, 371. Williams *vs.* Star Sand Co.
38 Fed. R., 747. Densmore *vs.* Three Rivers M'f'g Co.
43 Fed. R., 330. Montgomery Palace Stock Car Co. *vs.* Street Stable Car Line.

POINT II.

The bill in the original suit, alleging merely infringement, gave *prima facie* jurisdiction to the circuit court; but the jurisdiction depended not on the case made by the bill alone, but on the real issue to be tried, as shown by the pleadings and evidence.

Authorities.

1 Cliff., 299. Blanchard *vs.* Sprague.
121 U. S., 522. Robinson *vs.* Anderson.

POINT III.

If the decree is affirmed appellees are entitled to their costs in the court below.

Authorities.

Act March 3, 1875, 18 St., § 5, p. 472.
1 Supplement U. S. R. S., § 6, p. 614.

N. B.—This suit was begun April 19, 1878. (Rec., p. 4.)

111 U. S., 386–389. Mansfield R. R. Co. *vs.* Swan.

POINT IV.

If the decree is affirmed, appellees are entitled to their costs in this Court also.

Rule 24 of this Court, paragraph 1, in all cases of dismissal of a suit in this Court, "except where the dismissal shall be for want of jurisdiction," allows costs to the defendant in error or appellee.

But paragraph 2 provides for costs to appellee in *all cases of affirmance.* This language is as broad and comprehensive

as possible. We claim that the two paragraphs should be read together, and that the exceptional clause in 1 is not intended to apply to cases of affirmance, especially as the exceptional clause does not positively forbid the court to allow costs in any case where the dismissal is for want of jurisdiction.

At all events, the real scope and intent of the exception presents a question of construction. We shall submit that this Court has in various decisions practically settled the construction of this exceptional clause; and that it is deemed to impose no positive restriction on the exercise of the court's discretion in the matter of costs in any case whatever. Before presenting the authorities showing this we submit one or two general observations.

It is a maxim of universal jurisprudence founded in natural justice that no man shall be made to suffer for the fault of another. On this is founded the general rule allowing costs to the prevailing party, on the presumption that he was wrongfully sued; and the principle is recognized in rule 23 of this Court, imposing ten per cent. damages when a writ of error has been sued out only for delay.

All courts, even those of common law, have always exercised an equitable jurisdiction on the subject of costs, untrammeled unless by some positive statute.

The maxim of "No jurisdiction, no costs," is a fallacy on its face. As his honor the chief justice said in Whittemore *vs.* Amoskeag Bank, "This Court has undoubtedly appellate jurisdiction to determine whether the court below had original jurisdiction."

The condition of the appeal bond is as follows:

"If the above-named George W. White shall prosecute his said appeal to effect *and answer all costs if he shall fail to make good his plea*, then this obligation shall be void." (Rec., p. 55.)

That is, if this Court should decide by an affirmance of

the decree below that the circuit court had no jurisdiction the appellant covenants to pay "all costs;" of course, such costs as may be imposed in this Court. Now, if by rule 24 (1) this Court has forbidden itself to impose costs in any such case, the condition had no subject-matter to operate on. In other words, it was nugatory, and the bond therefore a nullity; and the logical corollary would be that whenever a circuit court dismisses a bill for want of jurisdiction no bond for costs on appeal need be given at all, for *lex non cogit ad vana.*

Authorities.

(The appellees in the present case were the defendants in the court below.)

"In case of reversal the costs do not go of course, but in all cases of affirmance they do."

4 Cr., *47. Montalet *vs.* Murray.

In the following cases, where the suit was dismissed for want of jurisdiction, costs were allowed to defendant in error because he was defendant in the court below.

3 Cr., *514. Winchester *vs.* Jackson.
1 Wall., 83. Gaylords *vs.* Kelsham.
9 Wall., 567. Hornthall *vs.* The Collector.

In the following cases costs were refused to the plaintiff in error, though the prevailing party, because he was the plaintiff below.

127 U. S., 105. Blacklock *vs.* Small.
129 U. S., 677. Chapman *vs.* Barney.

In the following cases costs were refused to the defendant in error because he was the plaintiff below.

4 Cr., *47. Montalet *vs.* Murray.
2 Wheat., *363. Inglee *vs.* Coolidge.
18 How., 602. Strader *vs.* Graham.

In the following cases costs were divided between the plaintiff in error and the defendant in error; the record showing that both parties were to blame in regard to the assumption of jurisdiction in the court below.

112 U. S., 232. Hancock *vs.* Holbrook.
119 U. S., 469. Peper *vs.* Fordyce.

The general principles established in the foregoing cases are plainly these:

1. That when a suit is dismissed in this Court for want of jurisdiction, the party through whose action jurisdiction was improperly assumed in the court below is never allowed costs in this Court, whether he be plaintiff in error (or appellant) or defendant in error (or appellee).

2. That when the defendant in error (or appellee) was defendant in the court below he is entitled to costs in this court.

3. That when the record shows the plaintiff in error (or appellant) and the defendant in error (or appellee) to have both been in fault in invoking or consenting to the improper assumption of jurisdiction, the costs will be equally divided between them.

4. In Mansfield R. R. Co. *vs.* Swan, 111 U. S., 386–389, judgment below on merits reversed for want of jurisdiction. Costs in this court against plaintiff in error, as he had no right to bring the case to this Court.

Courts very properly animadvert on any instance of bad faith disclosed in the proceedings they review, and are not in the habit of overlooking it when adjudicating the question of costs. In view of this, we call the attention of the Court to the surreptitious attempt of the appellant's intestate (plaintiff below) to induce the circuit court to take jurisdiction of

his suit by the deliberate suppression in his bill of all facts that might lead to an immediate dismissal of it on general demurrer.

REPLY TO APPELLANT'S AUTHORITIES.

The theory of appellant's brief is simply this: That in a case of alleged infringement, where a "license" is set up in defense, a United States circuit court must ascertain whether the license was still in existence when the bill was filed, in order to determine the question of jurisdiction.

We observe, *in limine*, that the defense set up by the appellees in the court below was not a mere "license," but an assignment to Thompson of one-fourth interest in the patents. This assignment, even if never legally perfected, in every one of the four decrees in the State court was plainly treated as binding in equity (though subject to the performance of certain conditions), under the familiar rule that what was agreed to be done equity considers as having been done.

Appellant cites—

Hammacher *vs.* Wilson, 26 Fed. Rep., 239, where it was held that when a license is pleaded, but denied by the plaintiff, the court may determine whether there was a subsisting license when the bill was filed, in order to decide the question of jurisdiction.

Also Seibert Cylinder Oil Cup Co. *vs.* Manning, 32 Fed. Rep., 625, to the effect that, in an action which the defendant seeks to defeat by setting up a collateral covenant, the case is one arising under the patent laws of the United States. We submit that these rulings are in direct conflict with the decisions we have cited in our brief.

As, for instance, in Williams *vs.* Star Sand Co., 35 Fed. Rep., 320, it was held that there is no Federal jurisdiction on any collateral agreement not provided for or regulated by an act of Congress. And Brooklyn Watch Case Co. *vs.* Leach (*ib.*, p. 2) is to the same effect.

And in Densmore *vs.* Three Rivers M'f'g Co., 38 Fed. Rep., 747, it was held that, when the question is simply whether a contract has been performed or whether it is or should be forfeited, or what construction should be put on its terms, there is no Federal jurisdiction. And Montgomery Palace Stock Car Co. *vs.* Street Stable Car Line, 43 Fed. Rep., 330, is to the same effect.

In Hammacher *vs.* Wilson (*supra*) the cases cited by the court in support of its decision are—

Cohn *vs.* National Rubber Co., 15 Off. Gaz., 829.
White *vs.* Lee, 3 Fed. Rep., 222; and
Kelly *vs.* Porter, 17 Fed. Rep., 519.

To show to how little respect that decision is entitled, it suffices to state—

That in Cohn *vs.* National India Rubber Co. defendants *denied the validity of the patent*, and, repudiating the license, set up patents of their own in opposition to it; a case clearly arising under the patent laws and as clearly irrelevant to the case before the court as well as to the case now at bar.

That in White *vs.* Lee the parties were *citizens of different States*, the jurisdiction not depending, therefore, on the subject-matter; and that in Kelly *vs.* Porter the decision, instead of supporting the opinion of the court, was *in direct opposition to it.* The plaintiff claimed an infringement on the ground that he had revoked defendant's license. The court decided that it had no jurisdiction, on the ground that the suit was really a suit on a contract between the parties, and so not arising under the patent laws.

The decision in Hammacher *vs.* Wilson is moreover in direct conflict with the decision of this Court in Germania Insurance Company *vs.* Wisconsin, 119 U. S., 475, which was as follows: To give jurisdiction the case must be one "where some title, right, or privilege on which the recovery depends will be defeated by one construction of the Constitution or law of the United States or sustained by the opposite

construction; otherwise it is not a case arising under the Constitution or United States laws." Affirming the case of Starin *vs.* New York, 115 U. S., 257, to the same effect.

But appellant's contention is that the jurisdiction depends, not upon the construction of any law of the United States, but upon the construction of a license (when one is set up) and on the question whether it had expired, or upon the construction of a contract (when one is set up) and on the question whether it has been performed.

On the authorities we have cited we claim that the case was properly dismissed by the court below for want of jurisdiction, because it presented no question arising under any law of the United States, but only questions arising out of a contract—questions determinable on general common law and equity principles, without reference to any provision in the patent laws.

We respectfully ask—

1. For a judgment of affirmance of the decree of the circuit court dismissing the bill for want of jurisdiction.

2. For the appellees' costs in this Court.

3. For a direction to the court below to allow the appellees their costs in that court.

Respectfully submitted.

FRANCIS J. LIPPITT,
Of Counsel for Appellees.

No. 259.

IN THE

SUPREME COUR

OF THE

UNITED STATES.

October Term, 1891.

GEORGE H. WHITE,
Administrator of GEORGE W. WHITE, Deceased.
vs. Appellant.
IRA P. RANKIN,
A. P. BRAYTON,
JOHN HOWELL and
JAMES M. THOMPSON,
Appellees.

BRIEF OF APPELLEES.

M. A. WHEATON,
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D. L. SMOOT
Counsel for App

Filed this ..... *day of* ..... *A. D., 1*

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By ..... *Deputy C*

IN THE SUPREME COURT

OF THE

UNITED STATES.

No. 259. OCTOBER TERM, 1891.

GEORGE H. WHITE, ADMINISTRATOR OF GEORGE W. WHITE, DECEASED,
Appellant,

vs.

IRA P. RANKIN, A. P. BRAYTON, JOHN HOWELL AND JAMES M. THOMPSON.
Appellees.

BRIEF OF APPELLEES.

I.

Nature of the Case.

This was a suit in equity wherein the decedent, George W. White, complained that the Respondents had infringed his rights as sole owner of the ore roasting inventions mentioned in the

bill and proceedings. The relief sought by the original bill was that of injunction, account, profits, and treble damages. After the Respondents' demurrer was sustained, the bill was amended by eliminating the demand for treble damages. The original bill was filed April 19, 1878, and amended February 24, 1881. The Respondents traversed the Complainant's allegation of sole ownership of the inventions mentioned, and in addition thereto, set up the co-ownership of the Respondent, Thompson, and his authority for exercising the rights conferred by the letters patent. The record used upon the final hearing consisted of the pleadings of the parties, and the documents and admissions mentioned in the agreement and stipulation of counsel filed in the cause.

II.

Statement of Facts.

The bill charges an infringement of the Complainant's exclusive rights in two inventions covered by letters patent 44,145 and 46,287.

Letters 44,145 are dated September 6, 1864, and the seventeen years' monopoly thereunder, commenced August 23, 1864, and expired August 23, 1881. These letters were issued to George W. White and Austin G. Day as assignees of George W. White, and there is no *evidence* in the record showing that Day had ceased to be an owner before or after this suit was commenced.

Letters 46,287, are dated February 7, 1865, and the seventeen years' monopoly thereunder com-

menced the day of their date, and expired February 7, 1882.

After these inventions had been upon the market for more than ten years, and had accomplished but little, George W. White, by the written contract marked "Exhibit A. B.," and dated February 13, 1875, agreed, amongst other things, to assign to the Respondent, James M. Thompson, a one fourth interest in these inventions in case the said Thompson should, within the sixteen months thence ensuing, elect to take the said assignment. (f. 47.)

The stipulated consideration was five thousand dollars, or such lesser sum as White might have to pay for a one-fourth interest held by a party in New York.

Under the agreement Thompson was to loan White one thousand dollars, as the same might be required, and receive therefor the notes of White.

In case Thompson elected to take the assignment, he was to pay one thousand dollars of the consideration money in gold coin, and in making such payment, he was authorized, by the agreement to use any of White's notes, for money loaned, as the equivalent of gold coin. The residue of the consideration was to be satisfied by Thompson's assigning to White the income of the said fourth for the term of two years, unless such income should satisfy the remaining consideration in less time.

Thompson advanced to White something over one thousand dollars, and took his notes therefor.

Within the sixteen months, Thompson elected to take the assignment, and, having taken all the steps necessary to entitle him to a specific execution of the contract, he demanded of White the above mentioned assignment.

The sixteen months, the period of election, expired June 13, 1876.

Notwithstanding the plain obligations of his contract, White refused to make the assignment, and Thompson was compelled to bring on August 31, 1876, in the Nineteenth District Court of California, the suit for specific performance mentioned in the "Exhibit C. D." (fol. 52.)

By an assignment, dated September 6, 1876, and delivered on or about September 16, 1876, White took in the fourth, held by a party in New York, at the price of three thousand dollars—vide "Exhibit O. P.," fol. 86.

On November 27, 1876, White filed his answer to the complaint for specific performance but failed to disclose the fact that the New York fourth had been purchased at the price of $3,000--and that Thompson, therefore, was $2,000—better off than if that fourth had not been bought in.—vide White's answer "Exhibit E. F.," fol. 61 et seq.

After a long and hotly contested trial the State Court on November 22, 1877, made, and on November 26, 1877, entered the decree marked "Exhibit G. H," vide folio 66.

This decree ascertained that Thompson was entitled to a specific execution of the contract as of

June 13, 1876; and commanded White to execute and deliver to Thompson an assignment of the one fourth interest, etc., in question as of June 13, 1876; and the said Thompson, upon the reception of the said assignment, to surrender to the said White, his notes for one thousand dollars and at the same time execute and deliver to the said White an assigmnent of the income of the said fourth, "conditioned to run for the period of two years, from June 13, 1876, unless the sum of four thousand dollars be sooner realized." (folio 69.)

The sum of four thousand dollars was inserted instead of two thousand dollars, because up to the making of the decree, Mr. White had not disclosed by his pleadings, or as a witness on the stand, that he had taken in the New York fourth and that its cost was only three thousand dollars. For this reason the decree made this a matter of reference. (folio 70.)

The decree provided that if White should fail for the space of five days from the date of the decree to obey the same, then the Clerk of the Court, as a special commissioner appointed for the purpose, should execute and deliver the assignment required of White, and receive from Thompson for White, the White notes and Thompson's assignment of income.

White failing and refusing to make the deed, Thompson delivered the income assignment and White notes to the Clerk for White, and received from the Clerk the deed of assignment, dated January 31,1878, and marked "Exhibit I. J.," folio

71. This deed, as also the contract between White and Thompson, was duly recorded at the Patent Office. From this decree there was no appeal, nor was there any motion for a new trial of the issues settled by the decree. The only open or unsettled matter, was one of dollars and cents between Thompson and White under the contract, and this was covered by the order of reference contained in the decree, (folio 70.)

While things were in this condition, White, not being satisfied with the action of the State Court, filed on April 19, 1878, in the United States Circuit Court for the District of California, this bill in equity which ignores the decree of the State Court, and challenges Thompson to a second contest of the adjudicated matter of co-ownership. If intended as an appeal, it is out of the line and novel—not to say revolutionary. If as another trial, the matter is *res judicata* by a court of competent jurisdiction which took cognizance of the case more than a year before this bill was filed.

On August 6, 1878, the Respondents filed a demurrer to White's bill. (folio 12.)

On October 12, 1880, Commissioner Mott made up, and on October 25, 1880, filed in the State Court. his report under the reference contained in the decree of November 22, 1877. (folio 88.)

On February 14, 1881, the Federal Court sustained the Respondents' demurrer to White's bill and on February 24, it was amended (fols. 13 and 14.)

On March 21, 1881, the Superior Court of the City and County of San Francisco—Judge R. Y. Hayne—as the successor of the Nineteenth District Court—Judge E. D. Wheeler—vacated and set aside the decree of November 22, 1877, and the Special Commissioner's deed to Thompson, dated January 31, 1878, *vide* "Exhibit K. L." (folio 76.) From this ruling Thompson appealed to the Supreme Court of California.

On August 23, 1881, letters 44145 expired.

On November 7, 1881, the Respondents filed a plea to White's bill (fol. 14).

On February 7, 1882, letters 46,287 expired.

On June 15, 1883, the Supreme Court of California, reversed Judge Hayne's ruling of March 21, 1881, *Vide* (fols. 45–6), and *Thompson* vs. *White*, 63 Cal., 505.

On August 13, 1883, White's replication to Respondents' plea was filed (f. 29).

On March 28, 1884, Judge Maguire, who succeeded Judge Hayne, entered the remarkable order set forth at folio, 79.

On April 1, 1884, the Respondents filed a supplemental plea to White's bill (fol. 30).

On August 11, 1884, the Respondents' supplemental plea was overruled (fol. 31).

On August 26, 1884, Judge Maguire entered the remarkable order set forth at folio 80.

On August 27, 1884, the Respondents filed an amended plea to White's bill (fol. 32).

On September 4, 1884, White's replication to the plea was filed, (fol. 34).

On September 11, 1884, Judge Maguire entered the remarkable order set forth at folio 81.

These three orders of Judge Maguire are designated as remarkable, because the first one places Thompson's indebtedness at $3,000; the second one at $4,000; and the third one at $5,000; and each and every one of them requires White to transfer patent rights that had expired more than two years previously; and each and every one of them ignores the fact that those rights, when vital, had been transferred to Thompson by deed under a decree that stood unreversed. and which, as a decision of factual issues, had never been assailed in the only way known to California law, viz: by a motion for new trial—vide *Harris* vs. *San Francisco Sugar Refinery Company*, 41 Cal., 393; and *Thompson* vs. *White*, 63 Cal., 509. The first and second of these orders directed that judgment "be entered in favor of the Plaintiff;" the third one directed Thompson to pay White $5,000 within ninety days, and White, upon receiving that amount of money within that time, was directed to deliver to Thompson "an assignment of an undivided one-fourth part of" these dead patent rights.

These orders are also remarkable for the reason that they change the contract, and make the assignment to Thompson dependent upon the precedent payment of the whole of the purchase price, instead of the contemporaneous payment of $1,000, and an assignment of the one-fourth in-

come in the manner prescribed by the contract itself and Judge Wheeler's decree of specific performance.

These orders are also remarkable because all three of them ignore the fact that Thompson was entitled to his fourth at $3,000, the price paid for the fourth held by a party in New York; and that, deducting the $1,000 already paid, the amount due on that score was only $2,000 at most, even though every set off and matter of recoupment presented by Thompson at the accounting in the State Court should have been finally disallowed. For it must be remembered that Thompson, amongst other things, was entitled to damages for the delays and losses occasioned by White's refusal to carry out his contract, and that White was entitled to nothing, in addition to the $1,000, except the income of Thompson's fourth for two years from June 13, 1876; and he was not entitled to that for the whole of the two years, if the remainder of the purchase price was sooner satisfied by such income.

On December 1, 1884, Thompson appealed to the Supreme Court of California from these orders and decrees of Judge Maguire, and the appeal was pending and undetermined when the case at bar was heard (folio 46).

On April 29, 1885, the Respondent's plea as amended was overruled (folio 35).

On May 29, 1885, the Respondents filed their answer to White's bill (folio 37).

On June 1, 1885, White's replication to the Respondent's answer was filed (folio 38).

On February 26, 1886, the stipulation or agreement of counsel as to the facts, and so forth, was filed (folios 44 to 47).

At the February term, 1887, of the Circuit Court, the case was brought on for a final hearing and fully argued. The Court took the matter under advisement and at the following term, viz:

On October 10, 1887, the Circuit Court dismissed the bill.

III.

ARGUMENT.

The foregoing facts indicate:

First. That White was not the sole owner of the patent rights.

Second. That there was a lack of equity in the case as disclosed by the pleadings and proofs.

Third. That there was a want of jurisdiction, and that the bill for these reasons was properly dismissed.

FIRST.

SOLE OWNERSHIP.

The bill alleges that White and Austin G. Day, were the owners of the rights granted by the letters patent, 44,145, and that White became the sole owner thereof by a conveyance from Day, folios 2 and 3. The answer denies White's sole ownership, (folio 36.) There is no evidence in the cause showing that Day conveyed to White, and, so far as the record discloses, this allegation is unproved; and, for the purpose of this hearing, Day must be

treated as a co-owner with White. The allegation of sole ownership not being established by the proofs, the dismissal of the bill is warranted by this consideration. The Plaintiff having failed to prove his case, there could be no decree in his favor, and as there could be no decree in his favor, the bill had to be dismissed.

To prevent persons from being vexed with a plurality of suits in cases of infringement, and because of the difficulty of apportioning damages to the co-owners of patent rights, the law requires all co-owners to unite in a suit like this.

In *Moore* vs. *Marsh*, 7 Wallace at p. 520, the Court uses this language; "Where the assignment is of an undivided part of the patent, the action should be brought for every infringement committed subsequent to the assignment in the *joint names* of the patentee and assignee as representing the entire interest."

Vide also:

Herbert vs. Adams, 4 Mason 15.
Curtis' Law of Pats, Secs. 347, 402,
Gayler vs. Wilder, 10 How, 477.
Whitmore vs. Cutter, 1 Gall. 430.
Woodworth vs. Wilson, 4 How, 712.
Dean vs. Mason, 20 How, 198,
Wyeth vs. Stone, 1 Story's R. 273, 295.

SECOND.

LACK OF EQUITY.

The case disclosed by the record is without equity because the rights were exercised by Thompson, or

under his authority, and Thompson was a co-owner, in both *law* and *equity*, with the Complainant.

He was a co-owner in *law* because the legal title to a fourth had been conveyed to him by the special commissioner's deed, marked "Exhibit I. J."

He was also a co-owner in *law* by virtue of the written contract "A. B.," and his performance of the conditions precedent imposed on him by that contract. Thompson's performance is shown by the decree of November 22, 1877, Exhibit "G. H."

In *Hartshorne* vs. *Day*, 19 How, at page 654, the Court says: "By this first agreement, Chaffey " bound himself to assign to Goodyear the renewed " patent as soon as it was obtained for the con- " sideration of $3,000. Goodyear became thus " equitably entitled to the entire interest in the " patent during the extended term, *and could have* " *invested himself with the legal title on the payment* " *or offer to pay the three thousand dollars.*" Vide also,

Curtis' L. of P., Sec. 194.

Cartwright vs. Asmalt, 2 Bos. and Pul., 43.

Such great regard has the law for the rights of vendees under written contracts of sale, that where letters, through accident or wrong, have issued to the vendor, when they should have issued to the vendee, the Courts have held the legal title to be in the vendee, notwithstanding the language of the letters.

Gayler vs. Wilder, 10 How., 477.

Rathbone vs. Orr, 5 McLean, 131.

Rich vs. Lippincott, 2 Fish, 1.

Herbert vs. Adams, 4 Mason, 15.

Hammond vs. Organ Co., 92, U. S., 724.

Cons. Elect. St. Co. vs. Edison E. St. Co., 25 Fed. R. 719.

Thompson was a co-owner in EQUITY, because the decree of the Court, Exhibit G. H. shows that he was entitled to the assignment as of June 13, 1876, and, therefore, the equitable title to a fourth was in him during all the time of the alleged infringement. Thompson had sixteen months from February 13, 1875, within which to become a purchaser, if so inclined. Up to such an election he had no title whatever. But within the period of option he elected to purchase, and so informed White, whereupon Thompson became clothed with the equitable title while White retained the legal title as trustee for Thompson, and Thompson became White's trustee for the purchase money. In *Vassault* vs. *Edwards*, 43 Cal., at p. 464, the Court says: "As soon as the Plaintiff accepted the defendant's proposition or offer, it ceased to be merely a proposition on the part of the defendant to sell, but ripened into a contract of sale." And in *Sugden on Vendors*, 8 Am. ed., Vol. I, at p. 270, it is said: "Equity looks upon things agreed to be done as actually performed; consequently when a contract is made for sale of an estate, equity considers the vendor as a trustee for the purchaser of the estate sold, and the purchaser as a trustee of the purchase money for the vendor. Vide also:

Johnson vs. Towsley, 13 Wall., 85.

Samson vs. Smiley, 13 Wall, 91.

Garland vs. Wyn, 20 How, 8.
Lytle vs. Arkansas, 22 How, 192.
Lindsey vs. Hawes, 2 Black, 559.

Now, Thompson being clothed with the *legal* title to an interest in these patent rights, he was a tenant in common with White, and, therefore, entitled to make, use and vend the same.

Curtis' L. of P., Secs., 189-190.
Clum vs. Brewer, 2 Curt., C. C. R., 506-524.

One tenant in common cannot sue another for infringement.

Curtis' L. of P., Secs., 190-1.
Clum vs. Brewer, supra.

And Thompson being clothed with the *equitable* title to an interest in these patent rights, White could not in equity, sue him, or those acting under him, as and for an infringement. Of such a case, a Court of equity will not take cognizance and grant relief.

In *Whiting* vs. *Graves*, 3 Ban. & Ard., at page 225, the Court says: "In a Court of equity a party "holding an equitable title cannot be ousted of "his equitable rights by the holder of the legal "title, who, in such a case, stands in a Court of "Equity as trustee for the use of the party bene-"ficially interested."

Now, White being Thompson's trustee of the legal title from June 13th, 1876, and Thompson being clothed with the equitable title from that time on, it would be something of an anomaly in

the history of equity jurisprudence if Thompson, and those acting under his authority, are to be held liable to a man who is holding the legal title to this interest, not for his own, but for Thompson's benefit. It would be anomalous to hold Thompson as an infringer in a tribunal which solemnly declares that, so far as it is concerned, Thompson is the real owner of the fourth in question.

Mr. Bump, in his law of Patents, etc, in a note to Sec. 4,921, U. S. Rev. Stats., says:

"A Court of Equity, upon a bill by the legal "owner of a patent right, cannot enjoin the "equitable owner from using the thing patented. "It considers the equitable title the true title." Citing:

Clum vs. Brewer, 2 Curt., 506.
Day vs. Candee, 3 Fish., 9.
Chase vs. Walker, 3 Fish., 120.
Cont. Co. vs. Empire Co, 4 Fish., 428.

And that, "where one person has the legal title "to a patent and another person has an equitable "right in the same, and a suit in equity is insti- "tuted complaining of an infringement, the person "having the legal right, and the one having an "equitable right which has been violated, should "join as complainants." Citing:

Stimpson vs. Rogers, 4 Blatch., 333.
Aiken vs. Dolan, 3 Fish., 197.
Dibble vs. Augur, 7 Blatch., 86.

This being law, then we have the curious result of Thompson, who has the equitable title at least,

being a defendant, when he should stand side by side with his trustee, George W. White, as co-plaintiff in the suit at the bar.

In *Emmons* vs. *Sladdin*, 2 Ban. & Ard., 199, the patentees sold the invention and their British letters patent therefor, and afterwards had letters issued to themselves for the same invention by the United States. They then brought suit for infringement against the representatives of their deceased grantee. The Court held that the conveyance to their grantee operated as a transfer of the right to an American patent, and that the grantee and his representatives were clothed with the equitable title to the American patent, upon its issuance to the plaintiffs, and that "*it would be "the most flagrant injustice to sustain a claim for "infringement*" under such circumstances.

In *Whiting* vs. *Graves*, 3 Ban. & Ard., 222, the Court decided that the equitable owner of a one-half, who had no writings whatever, could not be held as an infringer at the suit of the patentee.

It will not be pretended that the position of the defendants is worse than if they were in a Court of law. It is well known that in a Court of Equity they are at liberty to use every defense permitted by the law, and in addition thereto, every defense which appeals to justice and good conscience. With this in view and bearing in mind that an action at law in the nature of a suit for trespass on the case, might have been brought by the plaintiff, let us turn to the venerable Chitty for light, with reference to the defense, which in

this branch of our argument we now set up. At marginal page 486, Vol. 1, of his work on Pleading, Mr. Chitty, quoting from Lord Mansfield, says: "An action on the case is founded upon the "*mere justice and conscience* of the plaintiff's case, "*and in the nature of a bill in equity*, and in effect "is so; and therefore, a former recovery, release or "satisfaction, need not be pleaded, but may be "given in evidence; for whatever will, in equity, "and conscience, according to the existing cir- "cumstances, preclude the plaintiff from recover- "ing, may in *case* be given in evidence by the "defendant, because the plaintiff must recover "upon the *justice and conscience of his case and on* "*that only*."

What "justice and conscience" can Mr. White urge for this crusade through the hallowed precincts of Equity against the man for whom he is trustee? What "justice and conscience" would there be in allowing him to retain a part of the purchase price and assert sole ownership; affirm the contract in one breath and repudiate it in another; contest the suit for specific performance and spurn the decree when beaten; let the patents expire by effluxion of time and bring no suit to rescind the contract; allow vast interests to grow up under the subsisting contract and decree for performance, yet take no direct and efficient steps for their avoidance; bring suits for injunction and keep them alive for years, yet never move for, much less procure, an injunction and give the security which the Defendants' interests demand? What "justice and conscience" is there in such a case and such a course as this?

To recapitulate under this head—the Plaintiff's case is without equity, because:

1st. Thompson has the legal title under the special commissioner's deed.

2nd. He has the legal title by virtue of the contract and his performance thereunder.

3rd. He has the equitable title by virtue of the contract and his election to purchase.

4th. The contract is unrescinded and a subsisting covenant between White and Thompson.

5th. The judgments of the State Court recognize and declare Thompson's right to the interest.

6th. It would be against public policy, good conscience and natural justice to compensate White for refusing to obey a judgment of the law, though rendered by a State Conrt.

7th. White is Thompson's trustee of the very rights which he pretends Thompson has violated.

And again, the suit at bar was commenced April 19, 1878, and the complainant's right to institute the suit, must, in the nature of things, be determined by the conditions existing at that time. Now, on April 19, 1878, Thompson was the adjudicated owner of one-fourth of the patent rights in question, as of and from June 13, 1876; and he and the other respondents were using those rights under his authority as a part owner. And at this very time the State Court had, in the rightful exercise of jurisdiction, disposed of the question of ownership, and was proceeding with the incidental and subordinate matter of account, for the purpose

of ascertaining what was due from Thompson to White, or *vice versa*. And no matter what that accounting might disclose the indebtedness to be, it conferred no right upon Court or party to change the terms of the contract and make the payment of such indebtedness a condition precedent to the transfer of the fourth, when the contracting parties themselves had agreed that the fourth should be transferred upon the payment of $1,000, and the assignment of the income of such fourth—all of which, in law, had been done and performed by Thompson long before.

For these and other reasons which might be mentioned, the case disclosed by the record is without equity and the bill was properly dismissed.

THIRD.

WANT OF JURISDICTION.

The Court was without jurisdiction because the parties litigant were citizens of the same State, and the Respondents, instead of acting independently of the letters patent, and in contempt of the rights which they conferred, acted under them, and traced their title and authority back to the subsisting contract between Thompson and White. No question was raised as to the validity or construction of the letters patent, or the acts of Congress under which they were issued.

At sec. 496 of his work on the Law of Patents, Mr. Curtis Says: "But where the controversy at "issue does not turn upon the letters patent them- "selves, but rather upon the force of some contract

"under them, *e. g.*, an assignment or license, "which acknowledges their validity, in such cases "the jurisdiction appertains, as in other contracts, "to the State Courts, and can only be brought in- "to the United States Courts on some other ground, "*e. g.*, that of citizenship or residence, which would "justify the application."

Vide also:

Hartel vs. Tilghman, 99 U. S., 547.

Clum vs. Brewer, 2 Curtis' C. C. R., 506.

Nesmith vs. Calvert, 1 Wood and Nimot, 34.

Goodyear vs. Day, 1 Blatchf., 565.

Wilson vs. Sandford, 10 How., 99.

Hartshorne vs. Day, 19 How., 211.

Slemmer's Appeal, 58 Pa. St. 164.

Blanchard vs. Sprague, 1 Cliff. 288.

Merserole vs. Union P. Co., 6 Blatch, 356.

Goodyear vs. Union India-rubber Co., 4 Blatch. 63.

Burr vs. Gregory, 2 Paine. 426.

Hill vs. Whitcomb, 1 Holmes, 317.

Pulte vs. Derby, 5 McLean, 328.

While it is true that the bill charges the defendants with using the patent rights without authority, and thus sets up a naked infringement, yet it is equally true that the answer and proofs show a contract and proceedings thereunder, which render infringement legally impossible, so long as they remain in existence. Of the imaginary case stated in the bill, the Court has jurisdiction, but of the real case disclosed by the answer

and proofs, the Court has no jurisdiction. For the case which is on trial, and which is to be judicially determined, we must look to the bill, answer and proofs, and not to the bill alone. Now of the case as shown by the bill, answer and proofs, the Court has not jurisdiction, because the litigants are co-citizens, the contract is about patents, the validity of which is affirmed by both sides; and there are no questions, save such as arise under and grow out of the contract itself. No construction of the patent laws or of the letters patent is called for or involved. There is no proof that the contract has been rescinded, or that Thompson has failed to perform his obligations thereunder. The only proofs on this subject are that he performed, or industriously offered to perform, every condition precedent imposed upon him by the contract.

The case on trial is the case developed by the pleadings and proofs, and it stands as if the bill set forth the contract and all subsequent proceedings, and thereupon prayed the Court to rescind the contract, declare of no effect the said proceedings, and decree that the Defendants are infringers. Such a bill, under the authority of *Hartel* vs. *Tilghman*, 99 U. S., 547, would have been dismissed for want of jurisdiction, because, before the Court could reach the question of infringement, of which it has jurisdiction, it must try and determine a question of contract of which it has not jurisdiction. Before the Court could determine a question arising under the patent laws, it would have to determine whether the contract should be specifically executed or rescinded. It will not be

pretended that White could have brought a suit to rescind, or Thompson a suit to enforce this contract in the Circuit Court. As said in *Hartel* vs. *Tilghman*, if the Court has jurisdiction, it is because there is a question before it which has arisen under the patent laws, whereas, the real question before the Court in the case at bar, has arisen under the contract, and involves the existence, validity and construction of the contract, as also an inquiry concerning the matter of performance. If Thompson was entitled to a specific execution of this contract, then the defence is complete; and, whether he was entitled to such or not, depends upon the laws governing contracts and not upon the patent laws.

It will not do for counsel to say that this defence is an effort to oust the Court of jurisdiction, because the answer and proofs show that the case, truly stated, constitutes one of which the Court never had jurisdiction; and, that the Court's entertainment of the matter thus far, is due to the fact that Mr. White's bill, instead of making a frank and full disclosure of the case as it is, studiously suppresses the fact that he had executed and delivered this contract, taken one thousand dollars of the purchase money, been sued for and condemned to specific performance, and now, under the guise of a suit for infringement, seeks to have this Honorable Court rescind the contract, nullify all proceedings thereunder — whether personal or judicial – and, for his peculiar gratification, take the responsibility of the untold confusion, loss and damage, which such a departure necessarily implies. It was a bold dash into the

presence of equity, for Mr. White, without qualification, to allege in his verified bill that he was the sole owner of these letters patent. A more conservative Plaintiff would have stated the facts, and left it to the Court to say whether he was the sole and exclusive owner, in equity, the forum of his selection, of all the rights, privileges, etc., secured by these letters patent.

Hartel vs. *Tilghman* and the case at bar are so much alike, *quoad* the legal effect of the facts involved, and the manner in which the question of jurisdiction is presented, that it is surely an authority in point, ruling the case on hand.

In *Hartog* vs. *Memory*, 116 U. S. R., at page 591, the Court says: "If in the course of a trial it ap-
" pears by evidence which is admissible under the
" pleadings and pertinent to the issues joined that
" the suit does not *really* and *substantially* involve
" a dispute of which the Court has cognizance,
" * * * * * * * the Court may stop all further
" proceedings and dismiss the suit."

The record at bar, by evidence introduced under the issues touching sole ownership, and use without authority or license, shows a case which in the light of *Hartog* viz. *Memory* "does not really
" and substantially involve a dispute of which the
" Court has cognizance"—because the real dispute concerns the contract and nothing else.

If at the hearing of a cause the case made upon the pleadings and proofs is one of which a Court of equity has no jurisdiction, the bill should be dismissed though the defendant has made no objection to the jurisdiction, either by demurrer, plea

or answer, but has defended himself upon the merits.

Green vs. Massie, 21 Gratt 356.

As to the right to dismiss at any time when the want of jurisdiction becomes apparent, *vide* also:

The Cassius, 2 Dall. 365.
Petrocokino vs. Stuart, 37 Leg. Int., 30.
Kitchen vs. Strawbridge, 4 Wash. C. C., 84.
Com. & R. Bank vs. Slocum, 14 Pets., 60
Decker vs. N. Y. B & P. Co., 11 Blatch., 76.
Coal Co. vs. Blatchford, 11 Wall., 172.
Shuford vs. Cain, 1 Abb. U. S., 302.
Shedder vs. Curtis, 1 Hughes, 246.
Ketchum vs. Fars L. & T. Co., 4 McLean, 1.
Mail Co. vs. Flanders., 12 Wall., 130.
Continental Ins. Co. vs. Rhoads, 119 U. S., 237.
Peper vs Fordyce, 119 U. S. 469.
Germania Insurance Co. vs. Wisconsin, 119 U. S. 473.

It is respectfully submitted that the Circuit Court was without jurisdiction of the case disclosed by the answer and proofs since the litigants were co-citizens, and their rights were referable to and hinged upon a subsisting contract; that the Circuit Court, as a Court of Equity, was without jurisdiction to grant the relief sought, because the case is devoid of equity; and that for these, and the further reason that the allegation of sole ownership was not proved, the said bill was properly dismissed and the decree of dismission should be affirmed.

Respectfully submited,

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